GHCL Limited

November 7, 2026

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir / Madam,

Subject: Filing of Transcript regarding Investors' conference held on November 2, 2026

In continuation to our earlier communication dated October 16, 2026 and October 31, 2026 regarding Investors' conference on November 2, 2026 and pursuant to requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to attach copy of the transcript regarding said Investors' conference held with the management on November 2, 2026 for your reference and record.

Please note that copy of this intimation is also available on the website of *the Company (www.ghcl.co.in).*

You are requested to kindly take note of the same.

Thanking you

Yours truly

For GHCL Limited

BHUWNESHWAR PRASAD MISHRA
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Bhuwneshwar Prasad Mishra
Vice President - Sustainability & Company Secretary
(Membership No.: FCS 5330)

"GHCL Limited

Q2 FY27 Earnings Conference Call"

November 02, 2026

MANAGEMENT: **MR. R.S. JALAN – MANAGING DIRECTOR – GHCL LIMITED**
MR. RAMAN CHOPRA – CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR, FINANCE – GHCL LIMITED

MODERATOR: **MR. GAGAN DIXIT – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the GHCL Q2 FY27 Conference Call, hosted by Emkay Global Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Gagan Dixit from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Gagan Dixit: Yes. Thanks. Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. R.S. Jalan, Managing Director; and Mr. Raman Chopra, CFO and Executive Director, Finance.

I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

R.S. Jalan: Thank you very much, Gagan. Good afternoon, ladies and gentlemen. A very warm welcome to the GHCL Q2 FY27 earnings call. Our results and investor presentation has been published, and I trust you have an opportunity to review them.

Before I turn to the quarter, let me share how we think about our business. GHCL is amongst the lowest cost soda ash producer, a position that we have sustained through disciplined operational efficiency and backward integration into key raw materials. Our growth initiatives built upon this further. The commissioning of vacuum salt and bromine during the quarter underlines this approach.

Let me move on the industrial landscape. Globally, the soda ash market remains oversupplied and inventory levels are elevated in certain regions. Demand, however, has held steadily across most user industry. And the lithium sector continues to be the clear bright spot with strong momentum. As I have said in the past, the current pricing environment is a continuation of a cycle that has been playing out over the last 2 years, and we expect realization to remain soft over the next few quarters. The conflict in the Middle East continues to disrupt established materials flow while adding cost pressure. Given the surplus production, producers are constrained in passing on some of these costs.

Coming to the Indian market. During the quarter, demand from the detergent segment was weak, while glass demand remains stable. Import pressure continues to keep realizations soft. Over the medium term, our view on India remains positive. The solar glass capacities under implementation will create a sustained and visible demand opportunity for soda ash.

On a positive move, the government of India has imposed a minimum import price on clear float glass for a period of 1 year to safeguard domestic manufacturers. This should support soda ash demand from domestic glass segment in the coming quarters.

Now let me turn to our growth and diversification initiatives. I'm happy to share that during the quarter, we successfully commenced commercial production of our vacuum salt, powered by

fresh heat from our soda ash operation. This plant highlights our strategy of extracting maximum value and efficiency from our existing assets. Subsequent to the close of the quarter, we also commenced commercial production of bromine. Both these projects marks an important milestone in our diversification journey.

Our focus now shifts to optimizing these newly commissioned capacities. We expect the vacuum salt plant to operate at its intended capacity level by the end of FY27, while bromine plant will reach its intended capacity by the next financial year.

Our backward integration journey continues. We are expanding our existing salt works capacity as well as developing new salt works at Zara Zumara, which will be developed in phases. Both these projects will entail an investment of around INR450 crores and will significantly strengthen our raw material availability.

Our Board has approved a capex of INR88 crores for developing the infrastructure of our own railway siding. This will give us better control over the raw material, reduce our dependence on the trucks for the transportation of goods from cuts to our plants and should also lead to the cost saving. On our greenfield project, this is a significant strategic investment and part of our long-term goal, and we will continue to provide updates as project milestones are achieved.

To summarize, our focus through this cycle has been firmly on what is within our control. Disciplined cost structure, operational efficiency sustain our position as a low-cost producer, enabling the swift margin rebound as marketing prices recovers. Our next priority is to ramp up vacuum production as well as the brine to the intended capacity levels.

We will continue to execute our pillars with a discipline to make GHCL more diversified, more integrated and more resilient. I would like to thank all our investors and stakeholders for their continued trust in GHCL.

I will now hand over the call to Raman to walk through the financial highlights in detail. Thank you.

Raman Chopra: Thank you, sir. Good afternoon, everyone, and a warm welcome to our earnings call for the second quarter and half year ended 30th September 2026. Our performance remains steady. This is a result of our focus on operational excellence, cost control and efficient financial discipline. We achieved this despite the global oversupply situation, elevated energy and freight costs and a challenging pricing environment.

I'll now walk you through the key financial highlights. Revenue for the quarter came in at INR821 crores compared to compared to INR739 crores in the same quarter of last year and INR798 crores in the sequential quarter. This is a growth of 11% year-on-year and 3% quarter-on-quarter.

EBITDA for the quarter stood at INR202 crores compared to INR175 crores in the same quarter of last year and INR233 crores in the sequential quarter, a growth of 16% on a year-on-year basis. EBITDA margin was 24.7% as compared to 23.7% in Q2 of last year and 29% in Q1 of

this year. As we had indicated in our last call, the Q1 margin was supported by higher realization and the benefit of low-cost raw material and energy inventories, which were transient in nature. In quarter 2, margins have moderated, reflecting higher energy and raw material costs.

Profit before tax before exceptional item for the quarter came in at INR172 crores compared to INR145 crores in the same quarter of last year and INR204 crores in Q1 of this year, a growth of 19% year-on-year.

PAT for the quarter stood at INR127 crores compared to INR107 crores in the same quarter of last year and INR151 crores in Q1 of this year. PAT for the last quarter is after adjusting for an exceptional item -- exceptional gain of INR40 crores net of taxes arising from onetime settlement done by ESOS Trust.

For the half year, revenue is INR1,619 crores compared to INR1,562 crores in H1 of last year, a growth of 4%. EBITDA grew by 9% to INR435 crores and EBITDA margin improved to 26.9% as compared to 25.6% in H1 of last year. PAT for the half year stood at INR278 crores compared to INR252 crores in H1 of last year. And this is after adjusting the exceptional gain of INR40 crores as mentioned above.

For the half year end, we had a total cash flow generation of INR360 crores. Of this, we spent INR68 crores towards capex and INR110 crores towards the dividend payment and around INR13 crores on the repayment of borrowing, while working capital increased by around INR217 crores. This resulted in a net cash outflow of INR48 crores for the half year.

The increase in working capital was primarily on account of higher inventory and trade receivables amid supply chain disruptions. In a period of extreme volatility, this reflects the strength of our balance sheet and our commitment to shareholders and our disciplined capital allocation approach.

We closed the half year with a net cash surplus of more than INR1,070 crores. This financial agility supports our strategic capex execution, including our salt works and railway siding projects and provides significant growth headroom.

With this, I conclude my comments and would now request the moderator to open the forum for questions-and-answers. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of from Ansh from Capital One.

Ansh: Sir, congratulations on a great set of numbers. I just wanted to get some update on the greenfield capacity we are building. So where are we on the acquisition end of it now?

R.S. Jalan: Yes, Ansh, in terms of the greenfield, I would say that as you remember in the past also, we have said that there are certain land acquisitions which are pending, okay, and certain approvals relating to the land is pending with the government. At this point of time, I would not say that there is significant improvement has happened in that. But yes, some improvement has

happened. And hopefully, the way we look at in the next few months, some positives should happen in that.

Ansh: Okay, sir. So sir, given that we get some approvals in the next few months, so there's some positive momentum in the next few months, in how much time would you be able to set up the entire capacity and to take it up to our optimum utilization level, sir?

R.S. Jalan: See, Ansh, if you look at the day we start with the Zero date, probably this will take around 3-3.5 years of kind of a period after completely setting up the entire project, okay. And in terms of after that, probably, I don't think it will take longer time, maybe around a year time to kind of stabilize the project because we have a significant experience. So I don't see any learning kind of a loss or learning period gap between the execution of the plant to the optimum utilization.

Ansh: Mostly from day 0 to 4.5 years. 4 - 4.5, is that the correct assumption?

R.S. Jalan: Yes, I think you are right on that.

Ansh: Okay, sir. And sir, how is the demand and how is the demand feedback right now? And what are the spreads we are currently working with?

R.S. Jalan: Ansh, let me give you a slightly bigger picture in terms of -- which kind of address your question also. Overall, globally, as I mentioned in my opening remarks, the oversupply situation is there, which is primarily led by the China. China, new capacity has been added. However, on the other side, because of certain sectors like particularly the real estate sector as well as the solar sector, the demand, which was around 18% in 2024 December calendar year has been flattish in the '25.

And this flattish continues in this quarter as well -- in the 6 months also -- I would say, 8 months also, August. Now the second factual position is the synthetic plant in China, particularly the Solvay-based plants are running below the cost, operating at below the cost. Now how that will play out in a slightly medium terms of how these plants will rebalance the supply has to be seen, okay. But a significant amount of Solvay plants are running at below the cost.

Now coming back to the second side, which is your other than the China, I would say globally, soda ash demands are almost like on the stable and flattish kind of a thing. Some region is slightly higher, some regions slightly lower. But overall, demand is flattish in the global arena.

But when it comes to India, the situation is slightly different. In India, last year, the demand growth was around 9%. The first 6 months, the demand growth is only 1% plus. This is primarily because of the geopolitical situation. A lot of industry has not been able to operate at a full capacity.

Second, the way the solar glass investment was projected to be implemented, that got delayed also. So in the first 6 months, the demand growth has not been as we anticipated. However, next year, our assessment is the solar glass investments will play out fully. Today, solar glass capacity is almost around 15 gigawatts, which consumes -- I'm talking about to September '26, which will

go up to 35 gigawatts in next 6 months' time. And the full utilization of that will happen -- yes, 6 months' time because the way the plants are of the consumers are getting established.

This 15 gigawatt of the solar will go to 35 gigawatt. And this 35 gigawatt will ultimately translate into a significant portion of the production demand, of soda ash demand in '27, '28. This alone will add around 5% -- 4% to 5% of the extra overall demand growth in the soda ash next year.

The second, this what you call the -- if you look at the longer-term demand growth of soda ash in India has been in the range of around 4% to 5%. If I put together both, I personally believe that '27, '28, the demand growth of soda ash will be very healthy. I hope I've been able to answer your question.

Ansh: Right, sir. So we can maybe go towards back to the 9% to 10% growth, which we did last year?

R.S. Jalan: Seems like, like I've just given you the number, seems like.

Ansh: Okay, sir. And sir, regarding the imports, which are currently coming into India, you specified that there was around 72,000 to 73,000 tonnes in the last quarter. Has there been the same amount this quarter as well? Or has there been some dip in the imports?

R.S. Jalan: No, almost on the same level, Ansh. If you look at -- I'll just give you a slightly bigger picture also. Last year, the total demand -- total import of the soda ash was around 9-plus lakhs, okay? But if I split this into 2 parts, first half of the last year versus the second half of last year and the first half of this year.

First half in the last year was 5 lakh tonnes. This quarter -- this half -- second half of the last year was 4 lakh tonnes. And this 6 months of this year is also 4 lakh tonnes, broadly, I'm just giving you the number, right? So numbers are almost in the last 1 year has been kind of balanced means same number of the imports are happening.

But the second thing which is kind of -- will make up for the '27, '28 is some of the geographical soda ash import, which was coming from like Iran, Russia and some of the other countries has kind of tapered down and likely to be not getting again importing to the Indian territory, particularly like I said, 3 countries.

So this will -- next year will play out to be more of an import coming only from 3 major countries, U.S., Turkey and China. So probably that some kind of a consolidation in the import, which was more fragmented to 6 countries will get consolidated to the 3 countries.

Basically, what I was saying is that this will also help kind of in the stabilization of the prices also because some of the synthetic producers in the other parts of the region also, like China have said, even as per our information, your other countries also, they are now restricting their kind of pricing for the market. And probably, I would say that some improvement in the import pricing will also happen in the next year.

Ansh: So are we expecting any import duties or anything from the government end towards these imports? Or is there any discussion right now with the government as such?

R.S. Jalan: See, Ansh, unless something happens, it is very difficult to kind of predict what will happen. But yes, this is in the public domain that safeguards -- these quantitative restrictions are under consideration of the government. How that will take up...

Ansh: So has there been any advancement in those talks? Or has there been any kind of movement there?

R.S. Jalan: This matter is still with the, what you call, DGTR. And let's see how this quarter, something should kind of -- some developments should happen in this quarter.

Moderator: The next question is from the line of Dhruv from Leo Capital.

Dhruv: For the new capex that is highlighted in the PPT, what is the timeline for commissioning and the expected EBITDA for the same?

R.S. Jalan: See, as I said, Dhruv, that there are 3 or 4 significant investments which is there. In terms of your -- what you call your vacuum salt and the bromine, like we have said, this has already been -- one has been capitalized. Vacuum salt has been capitalized in the September and the bromine will get capitalized in this year. Of course, the production has started.

Now in addition to that, there are 2 significant investments which are kind of should be highlighted. One is your Zara Zumara, where I think I would say that it will take 2 to 3 years of time to kind of completely optimize that. The second is the greenfield, which I have already mentioned that it will take some time from the Zero date. And the capex also will require some kind of a later investment to the greenfield project.

In addition to that, as our Board has just approved a kind of a railway siding or railway siding in nearby location of our plant. This is more of an improving our reliability on the raw material. Of course, the cost advantage will also be there, but that will significantly improve our kind of a reliability of the raw material because of this truck and all the geopolitical and things like that. So these are -- I think these are the 3. And if you're talking about Zara Zumara -- sorry, this is another investment, which is your salt capacity utilization. As I have been mentioning in the past also, this is a process which has been doing for the last 2 years. I think it will take another 2 years more, but improvement of the return from this capital started accruing at this point of time also and continues to -- because we are doing in a phases basis. And the project is like we are strengthening our salt field to -- because of this all your unseasonal rain and what you call weather conditions and all those things.

This will help us to kind of improve our productivity, overall yield of the salt field. And where we are talking about almost around 3 lakh tonnes of extra salt production. Some has been achieved and some will be achieving in the next 2 years of time.

Dhruv: That was really helpful. Second part of my question was expected EBITDA for this project.

R.S. Jalan: See, Dhruv, if you look at like 6-month data in front of you have, I have already given an indication that this year is likely to be almost, I would say that's similar to the last year, 2026, the way we look at the business at this point of a time, or maybe slightly better than that. And so far as the new project, which is your -- what you call your vacuum salt and bromine, that EBITDA will get added to those numbers.

Moderator: The next question is from the line of Rohit Sinha from Sunidhi Securities.

Rohit Sinha: First question is on the soda ash pricing side. How we are seeing the trend going forward as we already have seen, I would say, in terms of crude derivative chemical products prices have increased significantly in the last few months. And because of that, most of the companies are reporting higher or the highest ever top line growth just because of the better realization largely. So still our soda ash is -- I mean, realizations are still on the lower side.

So what would be the factors where we would see pricing moving upward as we -- I think we are still operating at optimum utilization level. So the volume growth is not going to be significant from here onwards, but it is the pricing thing which should drive the growth. But when it is going to happen and how this should take shape? I wanted your thoughts on that.

R.S. Jalan: Rohit, I can understand that ultimately, the pricing, which has not in our control, okay. And what your -- means you just want to understand that how the pricing will look like in the future. In this current geopolitical situation, predicting anything will be very difficult. But let me give you some slightly different picture, which probably may help you to kind of understand the economics of this thing.

See, overall in the last 10 years, our EBITDA margin was in the range of around 29% - 30% average I'm talking about, 10 years average. Today, we are operating at 25%. The gap between these 2 numbers are 4% to 5%, right? This -- how this will play out, 25% to 30%, we don't know right now. Like I said, China running below the cost, most of the Solvay process, even some of the other players also in the globe are below running below the cost.

Against that, we are on a margin of 25% EBITDA. This is primarily led by our focus on the cost initiative, which over a period of time, we have done a very significant amount of benefit on that. And because of that, we have been able to maintain this kind of EBITDA margin from 29%- 30% to 25% margin.

The moment the economics of -- which I said just now, the way we look at going forward is some rebalancing will take place. So definitely, as soon as this happens, which is not in our control, but the moment it happens, we will be able to bridge this gap into the margin.

Our major -- our strength -- sorry, our major strength is more on which is in our control. And we have, over the period of time, done a very significant amount of cost optimization in that process, which really helps us to kind of bridge the gap between the realization and this thing. Just one more update.

It just recently -- yesterday only, small increase in the soda ash pricing we have taken, very small price we have taken in the soda ash. So I just wanted to kind of also kind of let you all know that this quarter of third quarter, we have 2 -- one is that we have an annual shutdown, which will reduce our production in the third quarter.

Second, as I mentioned in the first quarter call also, first quarter, we had a significant advantage of inventory cost of the raw material, which, to some extent, has tapered down in quarter 2. This will further taper down in the quarter 3. And therefore, the third quarter number would be lower than the quarter 2. However, that number will be at least better than the same quarter last year. Next, year as a whole, as I mentioned in my opening also, year as a whole, we believe our number will be either same of last year or slightly better. And this will further get aided by the incremental EBITDA of the vacuum salt and the bromine. And this entire picture of '27, '28 will be better than what it is '26, '27. I don't know whether I've been able to answer your question.

Rohit Sinha: Got it, sir. And secondly, on the bromine and vacuum salt side, how has been the overall performance as of now? And are we looking at expanding the capacity in the bromine segment going forward? I mean what kind of market dynamics is there?

R.S. Jalan: See, if you look at -- at this point of a time, our -- we have just started, as I mentioned to you. We have just started -- as I mentioned to you that in the quarter 2, the vacuum salt has just started, which is hardly 5% of the capacity utilization. Hopefully, in the next quarter, it should be in the range of around 50% to 60%. And I think in the quarter 4, it should be around 80%. This is what the way we look at.

Similarly, for the bromine, I would say that we have started the quarter of 3, which is the current quarter, where we expect around 40% to 50% of the utilization should happen this quarter, and this can go up to around 70% - 75% in the next quarter. Full utilization of this to the optimum level will happen. Both these projects will be happening in the next year.

In terms of that capacity expansion on the current location, no, this is the optimum capacity, which we have been able to build. The balance new capacity will come into the new field, which is your Zara Zumara. That will take 2 to 3 years' time, as I mentioned to you.

Rohit Sinha: Okay. And given the elevated prices, I mean, how we are looking at the margins for the bromine segment also? I mean, will that be in the range of that 20% or be slightly lower?

R.S. Jalan: This will be slightly higher than the -- this margin on the bromine will be in around 40% plus kind of a number. Margin will be in that range.

Rohit Sinha: Okay. So I mean, currently, no change in our margin estimates from earlier what we are projecting?

R.S. Jalan: I don't think so.

Rohit Sinha: Okay. And sir, one last question. Given the kind of cash generation we are building in the soda ash side and still the new plants, greenfield plant is way too distant. So aren't we still looking at

something beyond -- I mean, something -- some new project or something where we can scale up in a better way? Any new projects we are thoughtful of or could work out on?

R.S. Jalan: Rohit, let me kind of slightly give you our thoughts on that. First and foremost, like I mentioned, Zara Zumara and other projects, around INR500 crores kind of the capital allocation we are trying to achieve, right, which capital allocation will be there, point number one. Second, as you know, that last year, out of our total cash generation, 80% we have returned to the shareholders, 79% to 80% of the shareholders' capital, we have returned to the shareholders.

The third is, I mentioned in the earlier calls also, we have looked at many of the opportunity in the inorganic growth also. But we are a little cautious of the -- because of the geopolitical situations, we are a little cautious on selecting some of the inorganic piece. Because once you enter into this kind of a piece, you have to be kind of -- have a kind of expertise of that or the second is you have to be a long-term player.

So keeping that into mind, we have tried many of the things, but we have not yet been able to kind of come to a definitive, what you call, action point on that. But that possibility, we are continuously exploring that.

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

Saket Kapoor: Just to reiterate what you just replied to the earlier participant that Q3, we will face some more pressure on our margins. However, because of the price hike, which you just alluded to, which we have taken, our EBITDA would be higher than the -- or higher than what we reported for the previous year quarter 3. That understanding is correct, sir?

R.S. Jalan: I think, Saket, your understanding is correct.

Saket Kapoor: Okay. Sir, secondly, your consumers were also -- in one of the call, one of the solar glass manufacturers did alluded to the fact that soda ash prices were up for them for -- by 10% for quarter 2. So was there any significant -- I mean the kind of 10% price hike that happened for this quarter, the quarter which we are reporting?

R.S. Jalan: Saket, you remember that when he's talking about that price increase, he's talking about more from the perspective of what was the -- what you call normal pricing, which was in the month of February, March, okay? In February, March to, I would say that this period of time, probably, yes, around 7% to 8% price increase has happened. And probably this could be 9% for him maybe because of the supply chain costs and all those things.

But yes, 7% price increase has happened if you look at the same quarter last year versus this quarter. And if you look at September -- sorry, March '26 also, probably, I would say that similar range of price increase happened. But this has got kind of to some extent or to a great extent, it has got adjusted by the, what you call, raw materials and the supply chain disturbance and all those things.

Saket Kapoor: Correct, sir. Sir, now coming to the capex part of the story, when you mentioned about our -- firstly, coming to the -- congratulations, sir, for this commissioning of both the vacuum salt and bromine. I think so we were slightly delayed on some aspects, maybe the teething problem.

But when we look at the capex spent on the same, I think so that totals to around some INR325 crores or INR326-odd crores. INR195 crores we have spent for the salt and INR120 crores for the bromine project, that is INR315 crores, whereas the peak revenue alluded by you is at INR140 crores. So if you could just explain to us how -- is this the infrastructure cost or whenever we scale up, how is this asset to turnover multiplier effect will get into play, sir?

R.S. Jalan: See, first and foremost, both the projects put together, probably the number will be in the range of around INR180 crores.

Saket Kapoor: Sir, and this…

R.S. Jalan: One second.

Raman Chopra: Slide number 12.

R.S. Jalan: Around INR168 crores to INR170 crores kind of a number will be there. And broadly, the EBITDA on that, as I mentioned to you, 40% plus kind of a margin will be there. If you look at in terms of the capex versus the return on that, probably you find that return ROCE is very, very good on that.

Raman Chopra: 20% plus ROCE.

Saket Kapoor: Okay. Sir, my basic understanding was on an investment of -- on a capex of INR315 crores, the asset -- the revenue generation is to the tune of INR160 crores, that is 50%. That understanding is correct. Is this the infrastructure cost that has gone into play and when we scale it up that the margins will improve further? Or this is how the math works for both vacuum and bromine, means total investment of INR315 crores, peak revenue of INR160 crores.

R.S. Jalan: See, the business which you are operating, Saket, like soda ash also if you look at, the asset turnover in the soda ash is also different than other industries, right? Same way in this business, bromine and salt, okay? Because the salt cost in the vacuum salt is what, very significant cost, okay. So overall, what you are doing is you are converting the solar-based solar salt to the vacuum salt by using the waste energy, right?

And therefore, the asset turnover is going to be -- obviously, the salt cost is higher. So keeping that into mind, the revenues are going to be definitely lower than the capex in terms of the percentage. But look at the return on capital. Return on capital is more than around 20%.

Saket Kapoor: Correct. And coming to now the salt capacity expansion. Now as mentioned in your Slide #12, we are raising the capacity -- salt capacity from 6 lakhs to 8.5 lakhs. Post commissioning of the same, what would be our captive requirements? I mean what percentage we will reach in terms of our captive requirement?

R.S. Jalan: Saketji, our total requirement at this point of time is roughly around 18 lakh tonnes, roughly -- if I put together this 2 lakh tonnes of the vacuum salt also, around 20 lakh tonnes. So this 8 lakh, you can just -- 8.5 lakh, you just can multiply the percentage, which will be roughly around 40%.

Saket Kapoor: Okay. So in continuation to the same, as and when we scale up the Zara Zumara salt field, this will get compensated -- this percentage will significantly move up. That is what that thought process should be.

R.S. Jalan: Yes. Yes, that's -- you're right, 100% right. And this railway line, which we have got an approval from the Board will also help us to kind of secure our raw material from that area, from that location to our current location.

Saket Kapoor: And sir, secondly, since both the projects have been now commercialized, Raman sir, what would be the quarterly or the annual incremental depreciation from both these projects?

Raman Chopra: See, normally, these projects have a long life, so around 5% to 6% incremental depreciation. So maybe around INR315 crores, INR320 crores, we'll have around INR15 crores, INR20 crores incremental depreciation every year on these 2 projects. And when other projects get built, the depreciation will start on those. But on these 2, probably around INR15 crores to INR17 crores kind of additional depreciation number will be...

Saket Kapoor: Jalanji, you have very well mentioned that we have around INR350 crores, INR400 crores of capex program, but we are accruing good cash in the current -- even in the current environment and have a net cash surplus of around INR1,100 crores -- closer to INR1,100 crores. So taking into account our -- we have already upped our dividend distribution from 15% to 25%. So what further can investors anticipate in terms of returning cash to your investors since the greenfield project still looks a far distance?

And given the type of realizations currently we are having sitting at the bottom of the commodity cycle, I think so -- can investors look forward for further cash to be returned to them in the form of whatever best suitable way it should be? I think so 1 year would be down, we did a buyback at valuations significantly higher to what the market is ascribing us today. So what is your thought process on the same?

R.S. Jalan: Saketji, if you look at the history, in the last couple of years, we have done 3 buybacks, not 1. This clearly indicates our desire to kind of optimize the cash reward to the shareholders. Like you said, dividend also, we have scaled up. The point in our management is very clear. We want -- we don't want to sit on the idle on the cash, okay?

Last year, we have 79% to 80% of the cash generation has been distributed to the shareholders. So depending upon how the things go in the next 6 months or 9 months, how the greenfield projects get shape up, how the capex requirement, some new opportunity comes in support, like somebody was asking about inorganic growth and things like that. Probably -- so depending upon those things, we will take a kind of a judicious decision of allocation of the capital between the growth and the shareholders.

Saket Kapoor: Right, sir. You have explained to it, but just to explain or rather correct me on this front, when you say that we distribute 80% of the cash generated for the year, sir, actually, my understanding is whenever you are contemplating an opportunity of buyback, it is the accumulated cash on the books and the net worth part that plays into account in deciding. And it is only that for that year, we are distributing that amount that works out.

So when we say that we have distributed 80% of this year profit, is that understanding -- my understanding correct that this is the accrued cash if we decide today to go for a buyback, we are sitting on a cash of INR1,000 crores and our capex is INR350 crores 2 years down the line. It is not that INR400 crores that we are accruing for this year will lead to the buyback payout. Correct me on this fact, sir, you have been explaining to us many times.

R.S. Jalan: The number, the way you are explaining is different than what the number I'm explaining, okay? And basically what we're saying, in any company, you need to have some capital to kind of look at any opportunity which comes in your way. But don't accumulate the capital beyond a point, okay? And therefore, start looking at opportunity growth on the one side and the other side, the rewarding yourself. Do you agree that we have done 3 buybacks in the last, I would say, 7, 8 years?

Saket Kapoor: Yes, sir. I have been the beneficiary of the same.

R.S. Jalan: If you are the beneficiary of that, so just believe that we will go in the same approach in the going forward also.

Saket Kapoor: Okay. And lastly, sir, Raman sir, on the other income part, there is a reduction by INR10-odd crores. So was there any one-off item that was reflected in the June quarter wherein we have reported INR24 crores as other income. This quarter, it is INR13 crores?

Raman Chopra: See, last quarter, we realized -- we did sell some bonds to move into other areas, corporate bonds. As you know, the way the interest costs are rising. So we realized some gain and therefore, there was a higher income. This quarter, there was an M2M dent, big M2M dent, because of that, this is an unrealized thing, which has been accounted for.

On a quarterly basis, you'll have on a -- every quarter, we will have probably INR14 crores to INR15 crores kind of interest numbers or treasury income number, which will be there. So it's just an accounting of accounting for M2M impact this quarter actually.

R.S. Jalan: Or if I can say, Saket, I would say slightly differently. Same number, but what Raman said. The quarterly run rate of the treasury income is around INR10 crores to INR12 crores, okay? Last quarter, it was a kind of an abnormal income because this has got accrued because we have liquidated some of the bonds. I hope I'm clear.

Saket Kapoor: Yes, yes. It is clear. And lastly, on the CWIP part also, sir, with the commissioning of -- I think so the bromine outlet in the month of, I think, so October, I think so one -- there was some capex we were doing for some pipeline part also. I think so in 2 calls, earlier, Jalanji, correct me there also. Where are we, sir, in terms of that pipeline installation?

And coming to the greenfield assets, sir, what is our current preparation, I think once this land acquisition issue and the environment for the realizations and other impacts improve, how are -- where are we, sir, in terms of from that ground, the Zero number to the first bag being produced?

R.S. Jalan: See, Saketji, first and foremost, the infrastructure pipeline, which you said, hopefully, by year-end, this will get capitalized. The project is under implementation that will get capitalized during this year. On the greenfield project, as I mentioned to some of the other stakeholders, that the project will take around 3, 3.5 years to implement from the Zero date. Now obviously, any production will happen after 3.5 years from the zero date. And after that, some time will require to kind of a stabilization of that process, right?

So obviously, the benefit of that will start happening after that period of time. And obviously, the capital allocation or the capital expenditure will also be during the 3.5 years, where most of the investment will happen in the last 2 years of -- because first 1.5 years will be more of a civil and all those things, capital advances and all those things. But major expenditure will happen in the last 2 years of the project.

Saket Kapoor: And sir, with the inflationary trends, the type of inflation that has been built over the last 2, 3 years, the cost of setting up the project must have also -- and we need to revisit that number also or we stick to our previous number of INR3,500-odd crores.

R.S. Jalan: Saketji, I think we have said in the past also, a year back, we have revisited that number, and we have come to the number where we have said around for the 1.1 million tonnes, we have spoken about the number. And for 0.5 million tonne, the number which we gave was…?

Raman Chopra: Around INR4,200 crores.

R.S. Jalan: INR4,200 crores of the number we have given. And subsequently, we have not revisited the number, but I personally believe that not very significant change would happen. And in the meantime, some what you call government -- Gujarat government has also come with some investment promotion benefits.

Probably that should net off if any inflationary trend has happened to that. So the moment we start with the zero day, immediately or before that, once we are -- we will be able to revisit that number and see that any major change is had there or then report to the shareholders.

Saket Kapoor: And the capex will be back-ended, sir, when we commensurate it, it will be in the...

R.S. Jalan: I mentioned that, Saketji, that it will happen in the back end only. Major portion will happen in the back end only.

Saket Kapoor: And lastly, sir, the benefits of this pipeline project, can you -- what is the purpose of this pipeline? And how are we going to -- cost efficiency or on what aspect are we doing it?

R.S. Jalan: No, no. Saketji, this is purely an infrastructure requirement and you don't assume any kind of return on this thing. This is an infrastructure requirement.

Saket Kapoor: For our existing facility?

R.S. Jalan: Yes, yes. Because you know that the soda ash capacity, we have increased from 5 lakhs to 12 lakh tonnes, but the pipeline and all those things remain the same. So these need to be upgraded.

Saket Kapoor: Okay. And this plant shutdown, we will be well prepared to meet our requirement and service our customers.

R.S. Jalan: I don't think that's an issue that we have in inventory.

Saket Kapoor: Okay, sir. And very small point just to conclude. Sir, for both these products, vacuum salt as well as bromine, have we articulated the Stage 2 of the capex? Or first, we want to understand further on the bromine chemistry and then go for more investment and also for the vacuum salt because in your presentation, you have mentioned about what kind of target TAM we have for both vacuum salt being INR5,000 crores and also for bromine being, I think, so some 50,000 tonne requirement for the domestic industry. So have we aligned what we will be in 2030 for both this vacuum salt contribution and bromine also or still in nascent stage.

R.S. Jalan: No, no. I think, Saketji, as you rightly said first, we would like to both these projects get stabilized. In the meantime, internally, we are working on that. And at the appropriate time, we will share with you.

Moderator: The next question is from the line of Renuka from FWC.

Renuka: Just 2 things I wanted clarity on. You mentioned that within the current quarter, that is Q3, you have taken some price increases. So could you quantify that sequentially, what is the price increase that you have seen?

R.S. Jalan: It is roughly around 2%, very small, 1.5% to 2%.

Renuka: This is sequentially, Q3 over Q2.

R.S. Jalan: Q2, Q3, yes.

Renuka: Okay. And with respect to the annual shutdown that you have mentioned, could you quantify what is the number of days or the projected production loss you have estimated or -- for this quarter?

R.S. Jalan: See, Renuka, generally, we produce around 1 lakh tonnes. Broadly, I'm just giving you 90,000 kind of, 1 lakh tonne in a month, okay? And this could be in the range of around, I would say, around 7% to 10% kind of a loss.

Raman Chopra: Monthly, not for the...

R.S. Jalan: I'm talking about 7% to 10% of the monthly loss.

Renuka: Okay. Okay. No. So for the quarter, how many days is it being shut for? Any number over there?

R.S. Jalan: So number is not important, Renuka. Basically, in the year as a whole, the total loss of the production because of the shutdown will -- because the plant doesn't get shut down completely, plant gets partially reduced production to take a lot of maintenance requirement of the -- and some of the legal requirements of the plant.

And that I've given you the number, around 7% to 10% kind of a number will be there in the production loss -- sorry. It will be roughly -- if you look at the quarter as a whole, it will be around 4%, roughly around 3% to 4%, sorry.

Renuka: 3% to 4% if I look at the quarter as a whole, right?

R.S. Jalan: Correct.

Moderator: The next question is from the line of Gagan Dixit from Emkay Global.

Gagan Dixit: So my question is about this greenfield, this soda ash project. So project cost about INR6,800 crores, that's what you mentioned. So your presentation mentions that India adds about 2.5 lakh to 3 lakh tonnes of the demand every year. So I think this 1.1 million tonne of this project, that's for the full year of growth. So would management plan or build the Phase 1 only or bring in a partner or tie-up or offtake before committing for the next phase, sir? That's my question.

R.S. Jalan: See, first and foremost, Gagan, let me clarify a little bit. The total, as you rightly said, total plant phase is 1.1 million tonnes. In the Phase 1, we have been talking about 0.5 million tonne. When I -- Saket asked me, I've given that number of INR4,200 crores, was primarily on the 0.5 million tonnes. But as you are rightly saying, overall, the project which we want to implement there is 1.1 million tonnes, which will cost me INR6,800 crores to INR7,000 crores.

Second, this project will envisage a kind of a period, as I mentioned to you, 3 to 4 years, okay? Now every year, demand growth is 2.5 lakh tonnes. By the time this project gets commissioned, there will be 1 million tonnes of the extra demand in any case in the market. So therefore, I don't see any major demand difficulty into the business. But today, the demand of -- Indian demand is around 4.5 million tonnes.

Okay? And the way, as I said, if I look at next 3, 4 years, even in a conservative number of 5%, though as I said, solar will lead as a kind of a significant growth in the next year. But still, if I take 5% kind of a number, you require 2 million, 2.5 million tonnes -- 2 and 2.5 lakh tonnes of the soda ash demand every year, which is around 1 million tonnes in the next 4, 5 years. So demand, I don't have to tie up with someone in the supply. Selling in the domestic market or the nearby natural market of export, it will be possible.

Gagan Dixit: So we can assume safely that in 2 years or 3 years within that time frame, if the ramp-up goes as per plan, so might be -- you were moving for the -- or planning for the next phase of growth, at least initially, you will start planning for it. That assumption.

R.S. Jalan: Yes, yes, Gagan.

Moderator: That was the last question for the day. I now hand the conference over to the management for the closing comments. Over to you, sir.

R.S. Jalan: Thank you, Shruti. Thank you very much. As we have been always saying, what is in our control, we are delivering on that, which is the cost efficiency. We are the lowest cost producer. And our journey towards further optimizing our cost is in continuation. And we would always like to be a low-cost producer so that whenever this market situation improves, our margin significantly improves.

As I have highlighted in course of the discussion, on a long-term basis, the soda ash EBITDA margin used to be around 30% on a 10-year average, where still today, in spite of such a difficult market, in spite of the oversupply situation globally, we are maintaining an EBITDA margin of 25%. This has been possible only because of the way we have operated the business and the way we have focused on the -- our strength of the cost -- lowest cost producers. Significant amount of work has gone on that. This journey will continue, point number one.

Second, we personally believe the way the geopolitical situation is there, the way your overall global demand supply situation is there and the way major of the -- most of the synthetic soda ash producers in the globe are running below the cost. I think going forward, things should look better, and we will be the beneficiary of that scenario.

Third, our growth journey, 2 projects has already been commissioned. Our journey towards the salt that Zara Zumara is on the way. Our optimization of other areas like your -- the current location, we are working on that. In terms of the greenfield project, yes, some hiccup is there on some of the, what you call, land acquisition and the approval of the government in terms of -- of course, all those environmental clearances, all other has been in our place.

Even -- so therefore, things -- once these issues are getting resolved, that journey of the growth will also continue on that. So we are very thoughtfully collaborating our shareholders return as well as our growth journey and optimizing the resource allocation in a manner so that optimum utilization can happen.

In the last, wish you all a very Happy Diwali and prosperous New Year next year. I'm looking forward to having a continuous support of yours in the years to come. Thank you very much.

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