



Life's god with our chemistry

# Archean Chemical Industries Limited

**November 21, 2025**

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

BSE Limited  
Listing Operations  
Phiroze Jeejeebhoy Towers Dalal Street  
Mumbai-400001  
**Scrip Code- 543657**

Dear Sir/Madam,

**Sub: Transcript of Earnings Call**

**Reference: Intimation of Earnings Call dated November 13, 2025**

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 18, 2025 post announcement of financial results of the Company for the quarter and half year ended September 30, 2025.

The above information shall be made available on the website of the Company at [www.archeanchemicals.com](http://www.archeanchemicals.com)

Kindly take the same on record.

Yours faithfully  
**For Archean Chemical Industries Limited**

**Vijayaraghavan N E**  
**Company Secretary and Compliance Officer**  
**M. No. A41671**

“Archean Chemical Industries Limited  
Q2 & H1 FY '26 Earnings Conference Call”  
November 18, 2025

“E&OE -This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 18<sup>th</sup> November 2025 will prevail.”

**MANAGEMENT: MR. RANJIT PENDURTHI – MANAGING DIRECTOR**  
**MR. N R KANNAN – EXECUTIVE DIRECTOR**  
**MR. NATARAJAN RAMAMURTHY – CHIEF FINANCIAL OFFICER**  
**MR. RAJEEV KUMAR – DEPUTY GENERAL MANAGER FINANCE**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Archean Chemicals Limited Q2 H1 FY '26 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 touch-tone phone.

I now hand the conference over to Mr. Ranjit Pendurthi, Managing Director of Archean Chemical Industries Limited. Thank you, and over to you, sir.

**Ranjit Pendurthi:** Thank you. Good morning, everyone. A warm welcome to all of you joining on our Q2 and H1 FY '26 Earnings Call. I appreciate you all taking the time today to be here with us. On this call, we are joined by Mr. NR Kannan, our Executive Director; Mr. Natarajan Ramamurthy, our CFO; Mr. Rajeev Kumar, DGM Finance; and the SGA team, our Investor Relations Advisor.

I hope you've all had a chance to go through the financial results and investor presentation that is available on our website as well as notified to the stock exchanges.

I will start with a brief overview on the recent developments and market trends. Post that, Mr. Natarajan, our CFO, will give you a financial overview for the quarter and the first half. To start with, I would like to inform you all that we have obtained the India semiconductor mission approval for our SiCSem project, a compound semiconductor project, which we believe is a major milestone for the company's growth. So, I only thought it was important for us to mention this at the very beginning.

Also, I'd like to inform you that the income tax department conducted a search and seizure operation from September 4, 2025, to September 9, 2025, at various locations of the company, and its subsidiaries under the Section 132 of the Income Tax Act, 1961. The company extended full cooperation with authorities and continues to do so.

Moving on to the Market Overview. On part of the Market Overview, the chemical industry continues to see a mixed trend. As we look back on the quarter, it's important to recognize the complex global environment we are operating in. Persistent macroeconomic headwinds, supply chain disruptions and geopolitical developments continue to influence strategy, demand trends, pricing and overall operations across industries.

We view these challenges as temporary, and the long-term growth story for India remains strong, and for the chemical business is no exception. As we navigate through this continuously changing environment, our focus at Archean Chemicals remains clear, building a strong foundation for sustainable long-term growth and meaningful diversification in line with our strategy.

Now coming to the performance H1 FY '26 performance. While we began FY '26 on a steady note, the first half of the financial year grew by 10%, and to INR5,232 million despite all challenges. As you are aware, seasonal and uneven monsoon patterns also impacted business in terms of production, sales, logistics, et cetera. As a group, we are confident that the fundamentals of our business remains robust and team on the ground continue to focus on operational

efficiencies, improving customer engagement and execution across all key initiatives, which we have taken over the last few years and especially so over the last couple of quarters.

Coming to our segmental performance. We will start with the first one, elemental bromine. Elemental bromine contributed approximately 30% to 31% of our total revenue in H1 FY '26. Overall, bromine demand was robust and price was healthy. However, due to lower efficiencies in our plant due to some technical reasons, the production volumes were below target.

However, we have already started taking the corrective measures and are implementing the action plan to improve the same. Performance is expected to improve in the coming quarters, supported by a gradual pickup in the subsidiary operations as well. In the near term, we do not see any major challenges on either the demand or supply side.

On the pricing front, we are seeing encouraging trends. As we move forward, our performance will improve along with production. Just to reiterate from the long-term perspective, any sharp movements in spot prices do not immediately impact us as most of our contracts are long term and bilateral in nature. Our strong customer relationships continue to support our business. Their consistent orders and confidence in our capabilities have helped us maintain our position as India's largest manufacturer and exporter in this space.

Secondly, on Industrial Salt, to the quarter gone by, we sold nearly 0.9 million metric tons, which contributed to more than 65% of our total revenue. While the reported volume is shy below the quarterly guidance of 1 million, we would like to highlight that the shortfall is temporary and was mainly due to the prolonged monsoon season, which impacted the overall production and transportation.

We have a strong demand visibility and long-term contracts in place with customers. We're confident to export close to the guidance we have given of 4.5 million tons in FY '26. As I mentioned earlier, globally, only a handful of manufacturers can meet the highest level of purity at scale, and we are among them continuing to be India's largest exporter of industrial salt primarily to the Eastern part of the world.

On sulphate of potash, like I mentioned in the previous call, the pilot trials have been done and they have been successful. Presently, we are working closely with the technology partner to progress from pilot scale to plant scale trials. Plant modifications have started and are under progress, and we are now preparing for plant trials in Q4. We're confident of replicating the pilot plant performance where the trials have proved to be very encouraging in terms of results and recovery.

Site work has started and equipment is already ordered. We are one of the few global manufacturers of SOP and the market remains very firm in terms of demand for the specialty fertilizer. As stated earlier, we continue to believe that SOP will be one of the important business drivers for the company in the coming quarters and years.

Number four, on bromine derivatives. Our bromine derivatives business operations are up and running, currently operating between 30% and 35% capacity utilization. Ideally, we would like

to have been at a higher rate. However, the clear brine fluid sales uptick expected after qualifications and approvals from end users are received.

Going forward, we expect the utilization to improve gradually to at least 50% by the end of this financial year. We are confident of receiving the necessary approvals from clients, which is an ongoing process, primarily in the Middle East where the oil fields are based and have started engaging with them for the necessary certifications as well.

Regarding the Flame Retardant project, as I mentioned in the earlier call, we continue to pursue this initiative actively, and we will provide an update soon in the coming months. Of the total direct capex of INR250 crores originally envisaged for the bromine derivatives towards plant and machinery, to date, we have already invested close to INR190 crores.

On Oren Hydrocarbon renamed as Idealis Mudchemie post takeover by us. As you're aware, we took position of the assets in the last quarter of the previous year. Since then, we have made progress in reviving and refurbishing the units. We are through with the trials in 3 units and are awaiting necessary approvals to start the production soon. Samples have been sent out to customers, and we are waiting for the go ahead.

For the past few months, our team has been working through several on-ground challenges. As you know, it is -- we bought the company through NCLT to restore operations and improve output. This has caused some delays in our revenue contribution, and it was further affected by the lower global crude prices leading to slow rig activity and delayed in the onboarding of new suppliers like us by the oil majors.

Now coming to our new strategic initiatives. Number one, Semiconductor. During the quarter, our semiconductor business achieved a major milestone. Our project was among the select few approved by the Union Cabinet under the Indian Semiconductor Mission. The project underwent a thorough evaluation covering technical capabilities, specifications and long-term planning. This marks a landmark year for our company, and I would like to thank our entire team and all our stakeholders for their trust and continued support.

We are pleased to inform you that the ground-breaking ceremony was conducted on the first of November 2025, marking the commencement of the plant's commissioning activity. We have outlined INR2,067 crores investment in the first phase, which will include both the central and state's fiscal support along with our own contribution.

With the recent developments in the sector and the government's emphasis on building an entire semiconductor ecosystem, we are confident that this initiative is timed perfectly to harness the sector's growth momentum, both domestically and globally.

The second one on the energy storage battery business. On the energy storage business, as you're all aware we have invested in Offgrid Energy Labs, a Zinc Bromide battery innovator with a robust IP portfolio of over 50 patents and more across cathodes, anodes and separators. In May 2025, we successfully acquired an 18.14% stake with the remaining commitment expected to be fulfilled over the coming quarters. The company plans to set up a 10 megawatt -hour demo manufacturing facility in the U.K.

The work has already started, and further its research and development in the pipeline for next-generation stationary energy storage solutions and commercialize its patented ZincGel batteries through certification, testing and finalizing the blueprint for the giga-factory. Upon successful pilot execution, we shall plan to scale up to a giga-factory, which is expected to take 18 to 24 months to materialize.

To sum up, our business fundamentals remain strong and robust. We maintained healthy margins, deepened our relationship with clients and laid a strong foundation to invest in high potential sectors like bromine derivatives, semiconductor and energy storage.

We continue to focus on our core business and improve efficiency and production and the overall numbers there as well given the support we are getting from the market and healthy demand from the market. Importantly, we continue to be a net debt-free company backed by a robust balance sheet and disciplined capital allocation.

This financial strength ensures healthy cash flows and provides the strategic flexibility to invest confidently in long-term growth opportunities, and we look forward to the shareholder support in this.

With that, I would now request our CFO, Mr. Natarajan Ramamurthy to share the financial performance for Q2 and H1 FY '26.

**Natarajan Ramamurthy:** Thank you, and a very good morning to all the participants on the call. We are pleased to report a notable performance for quarter gone by.

To give you a summary of Q2 and H1 FY '26 on stand-alone basis, Q2 FY '26 performance, Total revenue for Q2 FY '26 stood at INR2,317.8 million and 8% lower on a year-on-year basis. Our business mix are as follows in Q2. Bromine contributed around 33% of the total revenue, whereas Industrial Salt contributed around 67%.

Sales volume of business are as follows: volume sales of Bromine for the Q2 FY '26 stood above 3,000 metric ton level. Volume sales of Industrial Salt for the Q2 FY '26 stood at around 0.9 million metric tons. EBITDA for the company stood at INR759.9 million in Q2 FY '26, a 15% decline on a year-on-year basis. EBITDA margin stood nearly 33% for the quarter. Net profit for Q2 FY '26 stood at around INR384.6 million.

H1 FY '26 performance. Total revenue for H1 FY '26 stood at INR5,232.3 million, a 10% growth on a year-on-year basis. EBITDA for the company stood at INR1,717.9 million in H1 FY '26, 2% lower on a year-on-year basis. Net profit after exceptional item for H1 FY '26 stood at around INR903.1 million, 28% growth on a year-on-year basis.

On a consolidated basis, Q2 and H1 FY '26 performance. Total revenue for Q2 FY '26 stood at INR2,395.6 million. EBITDA for the company stood at INR689.8 million in Q2 FY '26. Net profit for Q2 FY '26 stood at around INR290.4 million.

H1 FY '26 performance. Total revenue for H1 FY '26 stood at INR5,401.5 million. EBITDA for the company stood at INR1,553 million in H1 FY '26. Net profit for H1 FY '26 stood at around INR691.8 million.

With this, we conclude the speech and open the floor for Q&A. Thank you.

**Moderator:** The first question is from the line of Sucrit Patil from Eyesight Fintrade.

**Sucrit Patil:** I have 2 forward-looking questions. My first question is looking beyond this quarter numbers. I like to understand the bigger picture. Archean operates in a space where global demand for Specialty Marine Chemicals like Bromine and Industrial Salts keep on changing very quickly.

Over the next 1 to 2 years, what is the 1 big thing or the 1 big change you're driving that will make Archean stronger and more trusted in the global markets. Just curious to know whether this is more about expanding the technology platforms or building deeper customer relationships or shaping the company in such a way that makes it hard for your competitors to copy your business. This is my first question. I'll ask my second question after this.

**Ranjit Pendurthi:** So yes. So, thank you for that question. I think over the next couple of years, we continue, like I said, to focus on the core business, most importantly, which is our industrial salt, bromine and sulphate of potash business. We anticipate enough and more growth available in those 3 areas.

Salt, of course, because we have been a market leader, we have a lot of customer engagement. And we will continue to do that. And we are also having new customers that we're approaching and we'll continue to build the volumes. Quality always will be a primary concern. And as we scale that volume, we should ensure that the quality parameters continue to be the best in the world.

On bromine, we already have the capacity installed. So, we want to increase the utilization rate. The quality already is among the best, which is why there's a continuous demand for our product, both domestically and globally. So, I think there, our focus will be more on the elemental side to increase the volumes that we are producing, which is one of the reasons why, as I mentioned in the last call, we're also doing certain capacity enhancements at the site in terms of field evaporation area, etc., to increase utilization rates. So, the demand is not a problem there.

The third one is the Potash business. Obviously, we have made good progress. And over the next couple of quarters, we should see those results coming in as well on the trial plant side. And then I think starting post monsoon next year, we should be in a full-fledged state to start production and utilizing the installed capacity.

So large part of this doesn't require any real capex apart from regular operation maintenance. So, on these three products at the core, we will continue to drive volume, quality, delivery and expansion and utilization of existing capacities.

Now having said that, going down, of course, the bromine derivatives unit will play a big role in enhancing our utilization of in-house bromine. And there, there's a deeper engagement, both

with customers and the application side as well as conversion of the bromine into various other inorganic and organic bromides.

And additionally, the Flame Retardant project also should come online in the next 12 to 18 months and that's what we're driving at.

**Sucrit Patil:**

My second question also a forward-looking one, specifically on margins and cost planning. Whenever cost rises, we see a collateral pressure on the margins, whether it is through raw materials, energy, logistics or any compliance that you have to follow. I just want to understand how you think about protecting the profits without slowing down growth. Means like do you rely more on smarter sourcing or pricing control or is there any other USP that the company is following?

And how do you balance these parameters in practice so that Archean stays strong and profits keep on clocking even when sometimes things get out of control or sometimes when things don't go planned as they are supposed to.

**Ranjit Pendurthi:**

So, I think, as you rightly said, today in the business environment, volatility and uncertainty are a given. We have to be able to navigate on a daily basis since changes happen on a daily basis. But I think the macro environment is something we can't control. Unfortunately, we end up reacting to it. However, at our end, as a company, what we can do is be very, very conscious of cost.

If you see over the last few years, we've been able to manage that very effectively. It's a combination of both good practices as well as continuously trying to see where we can reduce cost. Logistics is a big cost for us, simply because we had a remote location, so we need to necessarily move the salt, for example, by trucks, but I think the government is hinted that they're going to build a railway somewhere in that area, which may happen sooner than later. And if that does, then we would look at using a combination of that sort of transportation method to reduce cost.

And then in terms of bromine, I think it's about efficiency. If you're operating at ex-efficiency, the idea is to be able to extract more from the given raw material. So, I think that helps bring down cost as well. So, there are certain factors that are in our hands that we will continue to tackle as we have been. But certain things are market driven. For example, the price of fuel, fortunately, I think it's been pretty consistent over the last couple of years. But that may change. We don't know. But I think when that happens, we'll have to find other places to become more efficient.

**Sucrit Patil:**

I think that's good guidance from your part. And I wish the entirety best of luck for Q3.

**Ranjit Pendurthi:**

Thank you.

**Moderator:**

The next question is from the line of Vinay from Hathway Investment.

**Vinay:**

I have just one question. If I have to look at the volumes of -- if somebody can just give us the sales volumes in the quarter in Industrial Salt, Bromine and SOP?



**Ranjit Pendurthi:** Sure. Mr. Natarajan?

**Natarajan Ramamurthy:** Okay. In quarter 2, the sales of industrial salt is 889,193 metric tons, Bromine is 3,160 metric tons, SOP 26 metric tons.

**Vinay:** And corresponding last year?

**Natarajan Ramamurthy:** Q2 last year?

**Vinay:** Yes.

**Natarajan Ramamurthy:** Yes, 792,365 metric tons industrial salt, bromine 4,683, SOP 26.

**Vinay:** Okay. Now this SOP for the last -- such a long period that we have been looking at. I'm still not getting on though we are -- it's an extremely promising category. How long do you see this extending now? When will we start in the commercial production and the sales coming in?

**Ranjit Pendurthi:** Yes. So, as I mentioned, I think the trials have been finished and the pilot plant is being erected as we speak. So that will come into the trial production will start in Q4. Like I said, the work has already started on the ground and equipment has been ordered. And we are confident that it should be successful as it has been in the lab scale.

And we believe that we will start production of this post monsoon next year because generally, during monsoon, we don't ideally run SOP plant because it makes -- material is very hygroscopic. So, we generally don't -- we avoid monsoon. But that has been the plan, and I think we are sticking to that timeline.

**Vinay:** So, we'll see Q3 FY '27, the sales of SOP getting into books?

**Ranjit Pendurthi:** Yes.

**Vinay:** And this is margin accretive business, right? The highest margin among the 3 products?

**Ranjit Pendurthi:** Well, assuming that the current prices hold, it's likely to be because the capacity is already installed, and we have about 130,000 tons that we can put to production and sales because the market is there and the prices are pretty firm in -- because being a specialty product.

**Vinay:** Okay. This is 130,000 per annum.

**Ranjit Pendurthi:** Per annum, yes.

**Vinay:** Okay. So, what kind of roughly margins are you looking at? Can you share that? Or is it confidential?

**Ranjit Pendurthi:** Well, I think, one, it's confidential, but more importantly, I think we'll probably provide a better update once the pilot plant is up and running in Q4, because then I think we will also be giving you a fair idea about where we should end up on margin front.

**Moderator:** The next question is from the line of Archit Joshi from Nuvama Wealth.

- Archit Joshi:** Sir, a couple of questions. First one on Oren Hydrocarbon. I mean, now that we've already done quite a lot of work here. What are our expectations in the second half, are we deriving any revenues from there? Have we seen any ramp-up? If you can throw some numbers, if possible, what to build in second half and expectations for FY '27?
- Ranjit Pendurthi:** So, thank you, Archit, for the question. On Oren, it has been disappointingly slow. Ideally, we should have already been able to start sales by now. But I think the fact that we have bought the company from NCLT, I think we underestimated the challenges on the ground in terms of dealing with regulatory authorities, etc. So, there has been a delay even though the 2, 3 of the facilities are up and ready. We're still dealing with some of the challenges coming over from the acquisition.
- But having said that, I think we've been able to start sending samples to customers, and I think the products are coming out well. So, there is momentum there. For the rest of the year, I would not really consider any meaningful contribution from Idealis, ex-Oren, simply because I think we would like to start showing some results on the ground in terms of sales before we start giving an idea on that. But yes, there has been a delay.
- And I think we are 6 months behind than where we want to ideally be. But nevertheless, I think the encouraging part is reception of the products being made and the ability to make them, I think that's something that we are happy about.
- Archit Joshi:** Sir, FY '27 and onwards, the ramp-up should be strong, should that be a good assumption on Oren?
- Ranjit Pendurthi:** Yes. I think FY '27, we expect some of those products to definitely start selling. And apart from, I think, the earlier question that was asked, what happens with the core business and SOP, etc. I think FY '27, we'll see a lot of additional revenues and products coming in from Oren, from the core business as well as the derivatives.
- Archit Joshi:** Understood. Sir, secondly, on the INR2,067 crore capex that you are planning to deploy within the Semicon field. How should we number it in the model? How do we see it being deployed? Is it like a 2, 3-year thing? Can you give some broad timelines as to when -- what amount of money will be spent in FY '26, '27, '28 in that manner?
- Ranjit Pendurthi:** Fair question. I think it's a bit early to commit to that spreadsheet you want to build. But I can tell you this that we kickstarted work on it. We have finalized the consultants who have come on board last week for the construction project management, for the go-to-market, for the technical evaluation, for the bidding, etc., and for other support on documentation and other things. So, the work has started. And very soon, we hope we'll be able to give, I guess, a notification to stakeholders on the commencement of construction.
- Archit Joshi:** Sure. Just one follow-up on the same one. And the subsidy that you are expecting to receive from the state and the central government...

**Moderator:** Sorry to interrupt, sir, but I request to rejoin the queue for the follow-up as there are more participants left in the queue? Thank you. The next question is from the line of Aditya Khetan from SMIFS.

**Aditya Khetan:** Just a couple of questions. Sir, when we look at the bromine volumes, so we are sitting at some 10 to 12 quarter has structurally changed in bromine. I think, sir, in last year also that there was 1 one-off in the salt business. In this year, we are witnessing salt volumes are picking up, but bromine is going down, although your initial commentary suggests that so there are no challenges on supply and demand side. So why is the volume low, and our target are we on track to meet by this fiscal FY '26 of 25%, which we stated early?

**Ranjit Pendurthi:** Thank you for that question. So, I think 2 things. One is, as you pointed out on the supply and on the demand side, right? In fact, bromine, I think, is holding steady, and there has been no fall in demand. And as I also mentioned in my commentary, the price trend is encouraging. It's moving up over the last quarter or so. And I think we are witnessing that coming through to us as well. Primarily on our side, it's been a production challenge. There has been a bit of a prolonged monsoon, not to mention erratic, even as recently as October end, it has been raining including places like Bombay, the Coast and up in Gujarat.

So that's obviously not helping our production. But having said that, there are certain steps that I mentioned in my commentary as well, we are doing. And you will see these coming through in the next quarter onwards. We are fixing certain problems at the equipment level. But the demand stays robust. In fact, I think we have almost 10,000 tons plus backlog in orders. So yes, so I think it's two sides of the same coin.

**Aditya Khetan:** Got it. Sir, on to the bromine derivatives, can we share the volume figure and the revenue share in this quarter? And what is the outlook for FY '26 and '27?

**Ranjit Pendurthi:** Sure. I'll have Mr. Natarajan give you the volumes for the derivatives. Just give us a second.

**Natarajan Ramamurthy:** Yes. One second. Just -- yes, what we in H1 we have done 3,135 metric tons. And value of INR43 crores.

**Aditya Khetan:** 43 crores. Okay, okay. Sir, my next question is on to our SOP. As you have highlighted earlier that SOP -- so trial runs have concluded. So how bigger business this can be, whether it can be a INR500 crore or INR1,000 crore top line business earlier because when we look at the capacity side, the figure can be this big. But what is the plan like at the initial by FY '27, '28, how big this can be?

**N R Kannan:** So, this is Kannan. I'm answering it on behalf of our MD, Mr. Ranjit. Basically, this has got a potential to reach the kind of numbers which you mentioned. But the clarity will emerge once our trials are completed, the process, it goes through certain changes. Our old process in the plant. There are some changes which are required in that. And once those changes are completed, we will be able to kind of definitely say what's going to be the rating of the existing plant, but as a potential for this product, definitely, it's got the capability to reach the kind of numbers which you mentioned.

- Aditya Khetan:** Got it. Sir, in your initial commentary, you mentioned about the 50% utilization. This is for the Oren Hydrocarbon, right?
- N R Kannan:** This is for Acume.
- Moderator:** The next question is from the line of Sunaina Chhabria from Chola Securities.
- Sunaina Chhabria:** Yes. My first question is relating to the bromine that -- the bromine production that was there. Could you speak on why the efficiency was lower? What was the internal difficulty that was there beyond a prolonged and erratic monsoon? And the initial target that was given a 22,000 to 25,000 would this be lower for the next year? Do you see buildup of the order book of about 10,000 that you were speaking about? Would we be closer to 20,000 metric tons? Or would it be lower?
- N R Kannan:** So, I think -- this is Kannan again, responding on behalf of Mr. Ranjit our Managing Director. I think during the call, when Mr. Ranjit was speaking, it was already mentioned that there were some technical challenges primarily contributed by the heavy rainfall, unseasonal rainfall which led to a dilution of the bromine concentration and the brine and consequently, lower efficiency of the assets. So those aspects are being addressed and they are being worked around. To your point, with respect to what the volumes will look like from going forward, certainly, this year, we will need to overcome these challenges.
- So, to that extent, we are looking at definitely more than H1 performance in H2 for this financial year FY '26 and definitely looking forward to the order -- kind of order of volumes, which we had indicated in our previous guidance for FY '27. So, this will be a progressively ramping up activity, and that's how we see the whole thing.
- Sunaina Chhabria:** Okay. And my second question is relating to Offgrid Energy Labs. What is the update over there. Would this be something that's coming into play into FY '27, '28. The investment, I know will be done in FY '26. So, if you could provide a bit of colour over there?
- N R Kannan:** Rajeev, can you take this call?
- Rajeev Kumar:** Yes, sure, sir. So, thank you for the question. See, Offgrid Energy investment is a long-term investment -- the idea there is twofold. One, of course, once the pilot plan is set up, the 10-megawatt our pilot plant, which is being set up by the Offgrid team in United Kingdom. That should take at least 12 to 18 months once the pilot plant is up, the idea is to create a blueprint for a giga-factory. And then see the possibility of setting up the giga-factory in India.
- And the second rationale is the electrolyte for Offgrid Energy is Zinc Bromide and Acume one of the product that Acume, subsidiary of Archean Chemical, is making or going to expand is Zinc Bromide. So, these are the 2 rationale for that investment.
- Sunaina Chhabria:** So, we would see pilot being done after 12 to 18 months. What's the investments or the expense that would be there for this be margin dilutive for the parent company?

- Rajeev Kumar:** No. So, the investments are already made this so that it is clear. The investment is already done. Archean Chemical has made the investment. That investment has given them around 21% to 22% stake in Offgrid Energy. And the investment proceeds will be utilized by Offgrid to set up this giga-factory. And the investment proceeds will also cover the capex and opex for the next 2 years for the -- sorry, for the pilot plant.
- Moderator:** The next question is from the line of Rohit Nagraj from 360 ONE Capital.
- Rohit Nagraj:** So, first question is on the Odisha investment of almost INR2,000 crores. What would be our contribution given that there will be government subsidies. And what could be the timeline in terms of funding our equity for the product?
- Ranjit Pendurthi:** I think Rajeev is available to take that question, Rajeev?
- Rajeev Kumar:** Yes, sir. Thanks, Rohit, for the question. See, INR2,066 crores is the overall capital expenditure for Phase 1. We are currently in the process of signing the fiscal support agreement. As you know, this is the first compound semiconductor fab approved by India Semiconductor Mission and the Ministry of Electronics and Information Technology. The fiscal support agreement signing is currently under progress and it's in very advanced stage.
- Once we sign that agreement, we'll have a fair idea about what will be the overall funding mix of the project in terms of equity or subordinated debt support from Archean, and also the support from Government of India and Odisha state, but it will certainly be around 60% to 65% of the overall capital, the INR2,066 crores. And the funding pattern will be *pari passu*, in the sense that, whenever the project fundings are envisaged, this will be funded by all the 3 parties in proportion.
- Rohit Nagraj:** Sure. That's helpful. So, we'll await for more clarity on this. Second question in terms of the first half performance and then what we are expecting from FY '26 perspective, I think most of the people have asked this question, but just to get a little more granularity.
- Industrial salt, we continue to maintain about 4.5 million tons. Bromine first half, we have done about 7,300 metric tons. Second half, are we likely to make at least last year volumes of 18,000 tons? And then similarly for bromine derivatives and Oren Hydrocarbons, what could be the absolute number of revenue that we are looking for FY '26, given that there have been delays and probably even the scale-up will happen in second half and more so in FY '27.
- So just a little more clarity in terms of how the numbers will shape up for FY '26 and FY '27 from a volume perspective and from the absolute revenue perspective from derivatives and hydrocarbons?
- Ranjit Pendurthi:** So, I think on the remaining part of FY '26, we are, at the moment seeing how to balance the pricing in the market vis-a-vis our own intention of keeping the margins intact. So, I think that is being discussed internally and we want to ensure that the volumes are not hampered on the salt. On bromine, our endeavour is to at least meet last year's production volumes.

However, as I said, the erratic monsoon has played a bit of a spoil sport generally, as you know, in Gujarat rains end in September. But even in October, it has rained. It hampers production only because of the dilution of the concentration in the brine as such, that affects the efficiency. However, I think all efforts are on to meet the figures that you have mentioned.

On Oren, I think I answered this with an earlier participant who asked me about what FY '26 looks like. The real numbers will only come in through FY '27. The plants are ready, certifications are ongoing. So meaningful revenue will come from FY '27, because all the capex will have to go in is already done.

The same with the bromine derivatives, the rest half of the year, I think we will do a little bit more than we've done in the first half of this year. But that one also is a bit of an R&D and a gestation period in terms of getting certifications from the end users. But having said that, I think the first hurdle we had to cross was establishing ourselves as a producer. Second is being a reliable producer and the third is quality.

So, I think the oil majors through the various distributing -- distributors we have been working with, I think are convinced and the volumes obviously will grow in FY '27.

Now specific what it will be, it will definitely be better than FY '26 for sure. And how much better? I think over the next couple of quarters, we will have a better picture on that.

**Moderator:** The next question is from the line of Ranjit from IIFL Capital.

**Ranjit:** First one is just a bookkeeping one. You shared your revenues for the second quarter on the bromine derivatives, which is around INR43 crores. It would be helpful if you can also provide the same figure for the 1Q FY '26. And the 33%, 67% revenue mix that you have shared was that for the first quarter -- sorry, the second quarter or the first half? That is my first question.

**Ranjit Pendurthi:** Ranjit, sorry, can you repeat the question, what do you want to know specifically?

**Ranjit:** The INR43 crores of revenue that you have mentioned for bromine derivatives, which was for the 2Q, if we can get a similar figure for first quarter FY '26.

**Ranjit Pendurthi:** Sorry. Sorry, the INR43 crores is for is H1, not Q2, it's H1.

**Ranjit:** Okay. Then if I can get it for 1Q and 2Q, that would be helpful.

**Natarajan Ramamurthy:** Sure. It is INR23 crores in Q1 and INR20 crores in Q2.

**Ranjit:** The second question is largely, if you can update on the investment that we have or rather that tie up with the Bhubaneswar University for silicon carbide thing. Have we made any progress on that one?

**Ranjit Pendurthi:** Yes. We invested close to about INR65 crores, and we have successfully demonstrated and produced a silicon wafer fab and I think what we set out to do in IIT Bhubaneswar, at the Research Park with our investment, we have achieved that and also demonstrated it. So, I think we are happy with -- and lots of -- I think people are impressed from the community --

semiconductor community. Many people have come and seen in those proprietary. So, I think we're happy with the outcome there.

**Ranjit:** And that is what would be translated or used in the new facility that we would be setting it up?

**Ranjit Pendurthi:** It will be one of the future phases where we will set that up because the starting point is silicon carbide wafer, as you may be aware, and I think the fact that in India, in India, we've been able to demonstrate that. It reduces a large dependence factor on this raw material.

**Ranjit:** And on the last bit, the 33% and 67% of revenue, is that for first half or second quarter?

**Natarajan Ramamurthy:** Okay. Can you repeat?

**Ranjit:** Revenue mix?

**Ranjit Pendurthi:** It is for first half. It is 31 and 68 is the first half.

**Ranjit:** Can I get that for the second quarter?

**Natarajan Ramamurthy:** I will get back to you separately.

**Ranjit Pendurthi:** We'll break it up and tell you.

**Moderator:** The next question is from the line of Mohit Mishra from ICICI Securities.

**Mohit Mishra:** I just had a small bookkeeping question. I wanted to know if you could help me with the revenue figures for all the segments during the quarter.

**Natarajan Ramamurthy:** You mean quarter 1?

**Mohit Mishra:** Q2, Q2. Second quarter.

**Natarajan Ramamurthy:** Q2. Yes. already given. So early 889,193 metric tons of industrial salt, 3,160 metric ton of bromine and 26 metric tons of SOP.

**Mohit Mishra:** Sir, the revenue numbers, not the volume.

**Natarajan Ramamurthy:** Yes, industrial salt is INR148 crores, bromine INR72 crores. SOP small amount 14 lakhs.

**Moderator:** The next question is from the line of Krishan Parwani from JM Financial.

**Krishan Parwani:** Sir, did you mention the derivatives revenue of INR23 crores in 1Q? Because I think in the previous call, you had mentioned INR194 crores salt, INR84 crore bromine. So, the balance comes out to INR14 crores. So, what's the difference?

**Ranjit Pendurthi:** You're talking about the Q1?

**Krishan Parwani:** Yes.

**Ranjit Pendurthi:** Just give us a second. We'll clarify Q1.

**Krishan Parwani:** Yes. And just a request, because I think in every call, we need to check the volume and the revenue number. Anyways, you give it out, right? So maybe just put it out in the presentation, it's the request because we have to keep asking for it and then there is always a confusion. So, volume and revenue numbers, if you could put out in the presentation, it would be very helpful.

**Ranjit Pendurthi:** So, point noted, we will take that into account for sure. Thank you.

**Krishan Parwani:** Yes. Okay, no worries. I mean, if you find the question later on, if you find the answer later on, you can -- so I can just go ahead with the second question. So just the second question is, I mean, we're seeing that the company has been struggling to ramp up bromine derivatives or start Oren Hydrocarbon.

Oren Hydrocarbon is rather recent but derivatives is almost like 2.5, 3 years since we have actually started to work, maybe 1.5 years since we actually completed the construction but there is a struggle. There's a holdup. And even our existing products, there is always a holdup probably it's the rain, it is the logistics. So, what gives us confidence that you'll be able to commercialize semiconductor chemicals, which is probably rather a new area for you altogether?

**Ranjit Pendurthi:** I think it's a fair question. So, I think on the semiconductor front, obviously, we work with both the state and the central government. So, in one sense, everything is far more time bound and far more detail oriented, which is why, as I said, we have brought on 3 consultants on board that bring the required expertise along with our own skill set on handling large projects, right? The type of the industry is different. Hence, we have used the outside help to do that.

So, for example, we have one of the big 4 on the project management side. We have one of the world's leading semiconductor consultancies, helping us on the go-to-market technical evaluations, etc., as we build the plant, right? So, we have taken due care, and I think we are confident this is a right approach using the right set of people with the right talent to bring on board and complement our own skill set of executing difficult projects.

**Krishan Parwani:** Okay. Understood, sir. So just a clarification on that. So have you chopped out a capex plan for the full company for FY '26, '27 and '28 because I think you mentioned INR2,067 crores, you will have 60%, 70% government support, but you'll also be spending some amount on Oren, Acume and this -- your semiconductor. So, can you just chalk out the plans for us? It will be helpful.

**Ranjit Pendurthi:** So, I think on Oren and Acume, we don't have any large capex as planned. The only one may be the Flame Retardant project, which is already accounted for in our initial investment plan of INR250 crores, give or take, maybe 10% with inflation. And the only other capex, the large one that will start will be on the semiconductor project.

That I think, as Rajeev mentioned, that will become clearer over the next quarter once we sign the fiscal support agreement with ISM, and then we will start looking at the funding options available once the number is frozen on in terms of who contributes how much, Centre, State and us.

**Krishan Parwani:** Understood. Very helpful. And did you get some clarification for the first quarter or no?



**Natarajan Ramamurthy:** We will send it to you separately.

**Moderator:** The next question is from the line of Rupesh from Long Equity Partners.

**Rupesh:** I think, first of all, let me congratulate you on successfully demonstrating the growth of the wafer within collaboration with IIT Bhubaneswar. I mean what an amazing achievement. So let me just congratulate you with that. So, most of my questions are on SiCSem because time is very less.

So, this IIT Bhubaneswar project, my understanding was for 200-millimeter. If you can just confirm that. Then whatever 60,000 wafers per year project we are doing, that is a 150-millimeter line, if you can confirm that, then this INR2,067 crores capex, what is the timeline? How much time will it take once we achieve financial closure?

And then in that capex, I mean, which part of the line of the entire line will be doing? And will we be growing wafer as well? Or will just be doing epitaxial deposition or will be setting an ATMP line, some split, I think, would be very helpful.

And then the final in that area is what is the involvement of Clas-Sic in the capex execution, how many 150-millimeter fabs or 100-millimeter fabs do they have? How is there a track record? How involved are they in this? If you can give some colour around this. So, these are some questions around SiCSem. Yes.

**Ranjit Pendurthi:** Well, thank you for congratulating us. I will start backwards. So Clas-Sic, as you know, is a strategic investment for us because we have an access to technology, both current and future by virtue of the equity stake we have and sitting on the board.

We also have a licensing royalty and consulting agreement with them, which provides not only for technology but also training manpower, both at their facility in U.K. as well as coming to India and training our people here as and when the construction and the operation of the plant starts.

Number two is the work we've done with IIT Bhubaneswar, as you rightly said, is a 200-millimeter project. I think the idea was to demonstrate that we can produce 200 millimetres on our own as SiCSem/Archean. And I think that's what we demonstrated. And as you rightly said, our line is for 150 mm in SiCSem, the project, 60,000 wafers.

But I think the way the technology works is 150 mm, if we're able to do a 200 mm, you know what, bringing it down to 150 mm is anyway being provided by Clas-SiC. So, we're just thinking ahead of the future as well concurrently to what we already have a license for.

**Rupesh:** Okay. Okay. And then the timeline and the split?

**Ranjit Pendurthi:** The timeline, we have a pretty aggressive timeline. But as you know, it's better to be conservative. So, at the moment, we're looking at around 30-odd months.

**Rupesh:** 30? did you say 30?

- Ranjit Pendurthi:** Yes, 30.
- Rupesh:** Okay. Okay. And the split also, sir?
- Ranjit Pendurthi:** Split of the funding.
- Rupesh:** Yes, yes. I mean this INR2,067 crore, how much is that rates are growing, -- how much will be for epitaxial epi wafer, how much will be for process fabrication?
- Ranjit Pendurthi:** So, at the moment, that information is not publicly available, simply because I think we are yet to sign off on some paperwork. So, I think that will become clearer once we get that done over the next quarter.
- Moderator:** The next question is from the line of Sanjay Kumar from itthought PMS.
- Sanjay Kumar:** Just one question on SiC capex. Given that we are still in an R&D phase for growing bolts or the wafers, have we sort of signed agreements to secure wafer supplies for 150 mm for our line? Because what's happening in the sector is every global player is securing long-term contracts and agreements with the wafer manufacturers. So, what is our plan for securing wafer supply?
- Second, on Clas-Sic, I believe they have 1,200 voltage product, what will be our product mix, sir, in terms of voltage? Will we be around 1,200 and sub 1,200 or do we plan to move to the higher voltage of, say, 3.3 kV and more?
- Ranjit Pendurthi:** So, I think -- so both the questions you've asked are pretty confidential. And the way I will answer it is, it is meant to just -- it's not meant to be evasive but give you as much as I can publicly disclose. I think we are comfortable where we are in terms of supply of wafers. We don't see a problem with that. We've taken due care.
- And on the second part, I think Clas-Sic has a range of voltage products. And obviously, now we continue to work with them on both their present portfolio as well as future products because it continuously evolves. Different applications have different voltage needs. So, I think we are in step with Clas-Sic on that. And apart from that, the other people also we're working with, which in due course, we will disclose.
- Moderator:** Due to time constraints, we will take that as the last question for today. I now hand the conference over to the management for closing comments.
- Ranjit Pendurthi:** Thank you, everyone, for joining us on this earnings call. We appreciate your time and showing interest in our company. We will work through the challenges we have right now. But as I said, the market remains robust. We are well placed in the marketplace. And I think with all the initiatives we have taken, the business will continue to grow and show good returns.
- In case of any queries, you can get in touch with us or SGA, our Investor Relations advisors. And we look forward to meeting all of you over the next call. Thank you very much. And although it is early, I wish you all a very Happy New Year in December. Thank you.

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