May 14, 2025

The General Manager
Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: **500770**

The Manager
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051
Symbol: **TATACHEM**

Dear Sir/ Madam,

Sub: Transcript of Analysts/Investors Call pertaining to the Financial Results for the quarter and financial year ended March 31, 2025

Further to our letter dated May 7, 2025, we enclose herewith a copy of the transcript of the Analysts/Investors Call on the Audited Consolidated and Standalone Financial Results of Tata Chemicals Limited for the quarter and financial year ended March 31, 2025, held on Wednesday, May 7, 2025.

The same is also being made available on the Company's website at: https://www.tatachemicals.com/investors/financial-reports.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Tata Chemicals Limited

RAJIV MANJUNATH CHANDAN

Digitally signed by RAJIV MANJUNATH CHANDAN
Date: 2025.05.14 14:23:30 +05'30'

Rajiv Chandan
Chief General Counsel
& Company Secretary

Encl: as above

TATA CHEMICALS LIMITED

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CIN : L24239MH1939PLC002893

"Tata Chemicals Limited Q4FY25 and FY2025 Earnings Conference Call"

May 07, 2025

MANAGEMENT: R MUKUNDAN - MANAGING DIRECTOR AND CEO, TATA CHEMICALS LIMITED

NANDAKUMAR TIRUMALAI - CHIEF FINANCIAL OFFICER, TATA CHEMICALS LIMITED

Moderator: Good evening, ladies and gentlemen, and welcome to the Q4FY25 and FY2025 Earnings Conference Call of Tata Chemicals Limited.

Please note that this conference is being recorded. 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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

We have with us today R Mukundan – Managing Director and CEO and Nandakumar Tirumalai – Chief Financial Officer of Tata Chemicals Limited.

Before we begin, I would like to mention that some of the statements made in today's discussion may be forward looking in nature and may involve risk and uncertainties. With this, I now invite Mukundan to begin the proceedings of the call. Thank you and over to you, Sir.

R. Mukundan: Thanks, Neerav. Good evening and welcome to everyone for this Q4FY25 Earnings Call. And I will start the discussion with a brief industry overview, then move on to highlights across business and geographies.

Starting with the demand scenario across geographies:

In the year FY 25, for the worldwide overall demand of soda ash there was a growth, mainly led by China by 18% and India by 4.5%. While the rest of the world saw a decrease in demand of about 2.3%. The market conditions remain challenging, even as India continues to grow. While demand fell, mainly in the flat and container glass in all these markets, we do anticipate that pockets other than China, US and Western Europe to show momentum and growth and India will continue to grow, though demand-supply balance softness, tariff uncertainties will also weigh in on the market.

However, I would say looking beyond this, medium-term and long-term remains positive, driven largely by sustainability trends, where soda ash is one of the key ingredients for the sustainable transition of the world. In terms of supply side, soda ash remains well supplied, especially because supply has risen in China more recently. Soda ash capacity increased by 8.9% and this was the main reason for decline in prices by over 25% from the previous year. The tariff uncertainty could lead to shifts in production centers of soda ash application industry, and this could lead to change in demand centers. However, some of the demand centers will continue to move forward with positive momentum.

In terms of TCL performance:

The Company reported for Q4 on a consolidated basis, a revenue of Rs. 3,509 crores, EBITDA of Rs. 327 crores and a PAT before exceptional item of Rs. (12) crores. For Q4FY25 the company reported on a standalone basis, revenue of Rs. 1,219 crore, an EBITDA of Rs. 230 crore and a PAT from continuing operations of Rs. 97 crore.

For the full year, the consolidated revenue was Rs. 14,887 crores, an EBITDA of Rs. 1,953 crore and a PAT before exceptional item of Rs. 479 crore. Similarly, for FY25, the standalone revenue was Rs. 4,441 crore, EBITDA of Rs. 818 crore and PAT from continuing operations of Rs. 524 crore.

In India, the performance is higher compared to previous year, mainly driven by higher volumes, partly offset by lower realization of soda ash and bicarb. The quarterly sales volume of FOS has increased significantly to 817 MT compared to Q4 of FY24. During the year FY25, the Company commissioned 230 kT of soda ash and 1,40,000 kT of bicarb capacity in Mithapur, both are fully on stream.

In US overall both the volumes and prices were lower in Q4FY25 than Q4 of FY24.

UK had lower volume mainly due to the ceasing of the soda ash operations in Lostock and there has been an exceptional charge of Rs. 55 crore which has been taken to comply with certain regulatory and contractual obligations in UK. Our focus in UK will be to move fully to high-grade value-added products, and in this regard, we have commissioned 70,000 Tons of pharma salt capacity in Middlewich, UK.

Kenya saw higher sales volume and higher realization, mainly because they continue to focus on the domestic African market which give them better yield in terms of contribution margins.

Rallis results were lower amid continued weakness in the export market, as this also is a weak quarter for Rallis and they were in line with our internal understanding.

In conclusion, going forward, I think our focus will continue to be on safety and sustainability. While focusing on these two, we will continue to focus on maximizing volumes across products alongwith cost and working capital efficiency and we will also calibrate Capex to the market conditions. We remain positive in terms of the medium-term outlook, and we also remain focused on our outcomes in the immediate term to ensure that our free cash flow and operational efficiencies continue to be of the highest order.

With this, I close my comments and hand over back to the moderator to open for Q&A. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. First question is from the line of Saurabh Jain from HSBC. Please go ahead.

Saurabh Jain: Thank you so much for the opportunity. My first question is on the Indian business. We have seen improvement in the volumes and also on the margin side on a Q-on-Q basis. I wanted to know your views whether the government imposed minimum import price, does play a role in this kind of improved performance for us during the quarter?

R. Mukundan: No, I think this would have been done even without any support and I think that MIP was, in fact, not a factor at all.

Saurabh Jain: Okay, so it is going to expire in June and how would you imagine the situation in India post this MIP expiry? You said you are not impacted, right? But what about the industry? Are you seeing any impact post this expiry of MIP next month?

R. Mukundan: I doubt it benefited industry. I doubt it is going to impact the industry.

Saurabh Jain: Okay, thanks. Secondly, on the US business and if you can also comment on the margins for the other businesses as well. In US business, we have seen the margin kind of seeing persistent compression. While if I look at the realizations, it is still holding up at about $259 to $260. And we used to make good margins at these realizations about 2 to 3 quarters back. Can you please explain what kind of led to such kind of difficulties in getting the profitability in the US business, please?

R. Mukundan: Domestic piece of the US business is doing fine, in terms of both revenue and margin profile. It is mainly in the exports where there's been a margin compression. And I think fundamentally one needs to watch out for the export pricing in the Southeast Asian markets, LATAM not a big issue. It has been the Southeast Asian market where the prices are hovering somewhere close to, $200 odd per ton and while they have positive contribution margins, they don't yield full cost recovery.

Saurabh Jain: So what you are relating to the fact is that the demand situation is much better in the LATAM and the South Asian markets, but the pricing challenges remain?

R. Mukundan: I don't think there's a demand issue in the markets we operate. I think we are fully sold out and will continue to be fully sold out in all our products. The way we do see the next year going forward is that we see India, Kenya and the UK continue to move in the positive direction. UK mainly because they have restructured their operation and the cost structures, and everything will be reflected by first quarter and you will start seeing the difference and by the second quarter it would have fully settled down. So that is the profile I would say of UK because whatever residual issues would be there, they would all be out of the way during the early part of this month itself. So we are not going to see any further cost impact and UK would continue to go towards a value-added cost profile and India and Kenya would continue to move in the same direction. US domestic also should be positive. The main point being the US exports, which we remain totally focused on how to improve the volume and market mix, and that effort the team is going to work on. It is not that we can't place the volume, but it is about where can we place the volume with opportunities to improve the margin profile.

Saurabh Jain: So, what could be a fair assumption to kind of build out the margins for the US business? $40 per ton of margin, when can we reach that back?

Nandakumar Tirumalai: What is the question, can you repeat that?

Saurabh Jain: What kind of improvement do you expect in the US margins in the next few quarters? How much of that can improve?

Nandakumar Tirumalai: If you look at the next few quarters, the pricing is still subdued in the market here and since US exports about 60% and 40% is domestic sales, on the export part, the pressure still remains. So we do not expect any major improvement in the margins in the next few quarters in US.

Moderator: Thank you. Saurabh, sorry to interrupt you. I will request you to come back for a follow-up question. I request all the participants to kindly restrict 2 questions per participant and join the queue again for a follow-up question. Next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Thanks for the opportunity. So, first question on the UK part of the business. You did mention one time cost or expenses of around Rs. 55 odd crores for the quarter. But even if I adjust for that, profitability on the business, given the shutdown of Lostock there, looks slightly on the lower end. So, your thoughts on how you are looking at FY26 given that pharma salt also comes into picture in terms of ramp up and the loss-making operations are also taken care of?

R. Mukundan: I think as I said by quarter 2, you would start getting the complete stable profile and our anticipation is in terms of its overall, it should move towards the way Magadi transformed itself. So, I think UK is on a transformation path. We are pretty much hopeful that will be the direction it would take.

Ankur Periwal: Sure, and Nandu Sir, just as a follow up, show any numbers or thoughts we can peg ourselves to, maybe an FY21-22 profitability, sort of a number that we can look at on a steady-state basis?

Nandakumar Tirumalai: If you look at the British Salt numbers, they improved in the last 3-4 years. And therefore, when you get the annual report at the end of May, you get all the numbers for Company-wise performance, and then you can look at those and work out. So British Salt is an upside and EBITDA in the last 4 years, in a way, doubled that would remain as it and we also get the incremental volume from the pharma grade salt. And bicarb, the 80kT plant remains in UK which will go and deliver profits. Lostock is shut down, so Lostock losses will not be coming going forward. So broadly looking at UK will get into a much better financial position going forward. The issue remains of debt in UK which has to get serviced over a point in time. So broadly it's British Salt and the 80kT bicarb which will do well.

Ankur Periwal: Okay, great. That's helpful. Second, on the Kenya side of operations, we have seen a recovery in profitability there. Volumes also have seen a Q-o-Q improvement as well as on a Y-on-Y front. Will this be a fair run rate expected to continue or are there more benefits that can flow through there?

R. Mukundan: Yes, in Kenya, I think this would continue. I think there is headroom to improve volume even further. That will be our attempt. But the current run rate is conservative estimate you can make. In addition to that, they have got approval to expand their capacity from the government. NEMA approval has come this quarter. They are pressing ahead with the expansion initially for another 50,000 ton. But these 50,000 tons will be a pure ash product, which means it can go into float glass and we expect to bring it on stream sometime towards the end of the year. That will be another added benefit as we move forward in Kenya. The pure ash product, at least the construct we have is, it will come in streams of 50,000 tons because it is a very modular plant which uses green power and solar power. Thank you.

Ankur Periwal: Okay, great Sir. That is helpful. Thank you and all the best.

Moderator: Thank you. Next question is from the line of Rohit Nagraj from B&K Securities, please go ahead.

Rohit Nagraj: Yes, thanks for the opportunity. So, first question is in terms of the Chinese demand. So, we have seen that last year also it went up by double digits. For 3 months or so, in your commentary you said almost 18%. So, any understanding as to which segments are driving this demand? And probably at certain point in time, there could be a backlash in terms of the user segment, there will be higher inventories and subsequently demand slowdown for soda ash, just your comments on that? Thank you.

R. Mukundan: As I mentioned, last year was a year of very strong growth in China. We don't expect similar growth to continue this year. Last year was about 18% surge by mainly solar and lithium carbonate markets. We usually expect about 6% growth. So, we are actually factoring in that China will probably remain stable or maybe have a negative of 1% or so. So, it is going to be somewhere stable in my view. So that is what we are projecting into our plan.

Rohit Nagraj: Sure, thank you. Also, second question in terms of the India domestic market, how are we foreseeing both the availability of soda ash in the domestic market and the exports? And concurrent demand side, which are not segments are actually showing the good traction? Thank you.

R. Mukundan: India will continue to grow, and we are seeing a very good traction of growth in both glass and all other segments in India. We are factoring anywhere between 5% to 6% growth in India even in the coming year. Indian economy and Indian demand is one of the steadiest we will see for the next couple of years.

Rohit Nagraj: Thanks, and all the best, Sir.

Moderator: Thank you. Next question is from line of S Ramesh from Nirmal Bang. Please go ahead.

S. Ramesh: Thank you and good evening. So, sif you were to look at the UK business in perspective, if you were to knock out the soda ash revenues and work on the margins, is a 20s kind of margin possible once everything is stabilized? Maybe second half, what is your thought on that?

R. Mukundan: Once we stabilize, as I said, second quarter is what you should take. First quarter will be the continued process stabilization. The reason I say that is, we will be finishing the reconfiguration of our power plant and other plants because these power plants are sized for a very large capacity of soda ash. They are being reworked and reconfigured. That work should sort of stabilize around second quarter. I would want to say that I don't want to make any forward-looking statement. I think you need to wait for the second quarter numbers to come through. Part of the result you will see in this first quarter itself. By the time second quarter comes, it should stabilize more.

S. Ramesh: Okay, so in terms of the US business and the overall interest expense outlook in terms of the cash flows, when do you see the cash flows improving to levels where you can reduce the debt and bring down interest expense? And obviously, you need to see some traction in terms of the pricing. But at these prices, would you expect the current run rate in the US profitability to continue? Or do you have any other levers where you can actually marginally improve to perform?

R. Mukundan: In terms of US, our focus is going to be to generate enough EBITDA margin and cash flows to at least start bringing down the debt marginally. So, we are extremely focused and when I said recalibration of the CAPEX plan, the bulk of the recalibration in CAPEX is happening in US as we speak. We will be able to grow the momentum in US as soon as we see that it is reasonable levels of free cash flows which then can allow us to invest. So, we are putting capital where the cash flows are good and where the cash flows need to improve, we will work on improving them. One of the big levers we have is to become even more cost efficient and cost competitive and that effort is underway during the year. So, you will start seeing some of the results on that even while the market remains challenging for the US exports, you will start seeing the results during the year.

S. Ramesh: So, one last thought, if you look at the excess capacity plaguing the market, what is the kind of capacity that needs to be taken out for you to get back to normalize margins?

R. Mukundan: I would say not excess capacity, but excess uncompetitive capacity, which needs to go off for the balance to happen. If you look at the world prices, the highest world prices is in Western

Europe, the capacity there is being serviced at unsustainable levels. Ideally, they would be the ones. Also, in these sorts of markets, we expect the new CAPEX for synthetic to sort of slow down. And that would also make sure that as growth comes in, demand growth continues, we have a reasonable balance coming through. So broadly, I would say that in the markets we operate now, we are not an operator in the European market. For us, we work with a pretty stable outlook towards capacity and continued growth of the market. The balancing in Europe will only take out some of the material which flows out from Turkey into Europe, that will continue to increase. That's all.

S. Ramesh: Okay, thank you very much and I will join the queue.

Moderator: Thank you. Next question is from the line of Vivek Rajamani from Morgan Stanley, please go ahead.

Vivek Rajamani: Thank you so much for the presentation, Sir. Just a couple of clarifications on the US. I know you mentioned that the export realizations in some markets were the main reason for the decline in EBITDA, but I just wanted to check if the surge in gas costs that we saw this quarter, did that also play a role in the margin compression? And the second clarification I had was, if I remember correctly, in the last quarter, you mentioned that two shipments got pushed out to this quarter. So just wanted to check if it wasn't for those shipments, but the US volume numbers would have been lower this quarter. Thank you.

R. Mukundan: Yes, I think the US volume numbers are lower this quarter, mainly because I think we had congestion at the port of Portland because of weather condition and they did get pushed out. So, they will come into the books in the first quarter of the current financial year.

Vivek Rajamani: Yes, just wanted to check if the increase in gas cost, did that also play a bit of a role in the margin compression?

R. Mukundan: See, gas is fully hedged. I think our big issue, more than the variable cost side in most of the units, it has more been the market pricing and also fixed cost where there are opportunities. So, I think we are focused on those two elements. US, in fact, our gas consumption is only 25% of our energy portfolio there. 75% of our energy portfolio is still this coal and while we will convert to gas fully by 2030, as we speak, 75% is coal, which is more or less stable. There is no movement in the cost at all. So, for us, the impact is not high and that has not made any difference. Our biggest difference is, as Nandu highlighted, we need to maximize volume. Maximizing volume does bring down variable cost because the utilization rates aid efficiencies of operation. And the second piece is about making sure our fixed cost is fit for fitness, there are opportunities there. And also markets we serve; can we get to slightly better servicing of markets where the profile market mix is better.

Vivek Rajamani: Sure, Sir. So just as an extension to that, because you mentioned the logistical problem, then would a 600 kilotons sort of a quarterly run rate be a realistic number to assume going forward, assuming you don't have any other constraints?

R. Mukundan: For US, yes, it should be very much possible. I think we are also in the process of adding a warehouse capacity so that the production rates and evacuation rates do not get affected. So, we will be doing that to aid a steady production, but 600 kilo tons on an average be very comfortable.

Vivek Rajamani: Sure, Sir. And if I could just squeeze in one last clarification. I think in your opening remarks, did you mention that there was supply growth in China once again? Did I hear that correctly?

R. Mukundan: Yes. In China, there has been supply growth. I think that is where the capacities have come in last year. Basically, the Inner Mongolia capacity was not running at full capacity due to maintenance outage but now it is fully back on stream.

Vivek Rajamani: Apart from the Inner Mongolia capacity Sir, there is nothing incrementally new right? It's just the ramp up of that capacity? Is that correct?

R. Mukundan: Yes, basically they are out of the maintenance outages which is why I think the exports to China stopped.

Vivek Rajamani: Just wanted to clarify that. Thank you so much and all the very best.

Moderator: Thank you. I request to all the participants kindly restrict to 2 questions and join the queue for a follow up. Next question is from the line of Arjun Khanna from Kotak Mahindra. Please go ahead.

Arjun Khanna: Thank you for taking my question. So, when I look at our net debt, it is up roughly Rs. 1,100 crores. And in the presentation, we talk about net debt being higher due to higher working capital debt in India, US and UK. But when I look at our balance sheet, I do see inventories up only Rs. 30 crores, trade receivables being flat at Rs. 1,900 crores and trade payables actually in our favour of around Rs. 120 crores. So, what am I missing here?

Nandakumar Tirumalai: Arjun, we also had a CAPEX incurred during the quarter, so it is temporary funding for the year for CAPEX and this year we had peak CAPEX in India and all over the place. So that is temporary working capital loan taken to fund the CAPEX, but over a point of time that will be repaid from our equity coming in terms of the profits being made. So otherwise, inventory is more or less intact. It is more like that, I would say, UK had also certain expenses, the variable cost being higher. Otherwise, it is more in terms of funding the overall cash needs of the Company which came in the year, in which EBITDA was there, but it was offset hugely by the CAPEX which was mainly incurred for the last stage of Mithapur, which had the capitalization happening for soda ash, bicarbonate & salt. So, it is a matter of temporary funding taken through working capital growth.

Arjun Khanna: In terms of CAPEX, so we spent roughly Rs. 2000 odd crores in FY25. What is the outlook for FY26 and beyond if we have any number for FY27?

Nandakumar Tirumalai: It will be lower because this year was a peak, Arjun, as we spoke about the UK pharma grade salt was capitalized in current year, the salt and bicarb came. So, this is a peak. We will go back to the historical trends going forward, that is for next year.

Arjun Khanna: So, our plan would be about Rs. 1000 crores for FY26?

R. Mukundan: See, our sustenance CAPEX should be clocking anywhere between Rs 550 - 600 Crores or so. And beyond that, I think our biggest CAPEX is increasing capacity in our prebiotics plant at the cost of about Rs. 18 crores and there is no other major CAPEX is being planned during the year. We will come back to you.

Arjun Khanna: What about Kenya Sir? 50,000?

R. Mukundan: Yes, that is a very minor CAPEX. We will give you the figure in the next meet when we do. It is about Rs. 60 crores, in next year.

Arjun Khanna: For 50,000 tons?

R. Mukundan: Yes, 50,000 and other capital expenditures.

Arjun Khanna: Sure. And my second question on freight costs. So, if I see freight and forwarding costs a year-on-year while we have increased volumes by roughly 1% odd, we see 11% increase in freight and forwarding charges. Is there any one-time impact on this or is there anything you would like to call out on this number? The number change etc. the way we do business?

Nandakumar Tirumalai: Yes. One is increased volume we had in the current year, Arjun. And secondly, if we look at the increase also, this year we are getting out of ANSAC in the last year of ANSAC. And which means that now we have to directly get where it see enough price and pay the freight for it. Till last year, we had ANSAC a much higher share. We were delivering at their port in US, and they were incurring the freight. So, the model has changed in US, and this is third year and the last year of ANSAC coming out. Next year would be entirely exports without any ANSAC play. So that's a change in model, which means now we get higher revenue, but we also incur higher freight.

Arjun Khanna: Sure, but would it have a positive impact on margins?

Nandakumar Tirumalai: See, that we can't say between ANSAC and export, both would be more or less similar. But in the non-ANSAC case, we will know who the customers are. At this point in time, I think premature to comment on whether I will get better margins by doing non-ANSAC sales. But probably it should help us in the long term. Now we know exactly who the customers are, and we can service them better.

Arjun Khanna: Sure. Thank you very much for this and wishing you all the best.

Nandakumar Tirumalai: Thank you, Arjun.

Moderator: Thank you. Next question is from line of Abhijit Akella from Kotak Securities. Please go ahead.

Abhijit Akella: Yes, good evening, gentlemen. Thank you so much for taking my questions. So, in your opening remarks, I believe I heard a number of 8.9% increase in capacity for soda ash for the full year last year at the global level. Just wanted to confirm that number. And then if you could please also just help us with a demand growth number if you would happen to have that for last calendar year as well?

R. Mukundan: So last calendar year, I think the demand grew by 8.3 and the supply which came on stream was 8.9.

Abhijit Akella: Understood. And with regard to the outlook for capacity in the global market, will it be possible to share your perspective on how you are seeing things. There is a large capacity expansion by Sisecam, I believe it's called in the US, 5 million tons odd, and then some other smaller expansion in various parts of the world. So, any sense of how much capacity could be expected over the next 2 or 3 years?

R. Mukundan: Our view is that expansion in US for export market is unviable at these prices. I am saying that at the current export price realization and margins, the expansion of capacity is not viable. The point is that at the end of the day, we are going to finance these, numbers do not add up.

Abhijit Akella: Understood, Sir. But as per your market intelligence, are the suppliers in the market behaving rationally according to this, or are the expansions still going on as per their plans?

R. Mukundan: I cannot comment on that. I can only comment on what we do. I think if you look at the market picture, it has become even more slightly hazy with all the tariff issues. And on top of that, interest rates are not coming down with the rate at which they need to come down. I think if it is going to be deep bottlenecking where you're adding capacity for very marginal cost, it is one scenario. But if it is a scenario of a fresh new capacity, it is challenging.

Abhijit Akella: Thank you so much and all the best.

Moderator: Thank you. Next question is from the line of Dishant Gupta from GEOJIT Financial. Please go ahead.

Dishant Gupta: Good evening, Sir. So, my first question would be what exactly would you attribute the lower profitability to? Is it because of drop in realizations or increases in expenses or issues in the UK? What exactly would be the reason?

R. Mukundan: So clearly pricing has a role and secondly this quarter, some of the units could not perform in terms of volume, especially in the US. And thirdly, the issue is also due to certain one-off expenses which have been booked in this quarter.

Dishant Gupta: Another question would be like the sales volume growth has not been very promising. So how will you maintain the sales volume growth in the future to offset the lower realizations or the volatility in the realization in the future?

R. Mukundan: We will continue to maximize throughput. In terms of sales volume, if you look at it, the volume loss which we will have in UK in soda ash, more or less we will try to compensate with growth in India and Kenya. India and Kenya will continue to offer opportunities for expansion.

Dishant Gupta: Okay. And will you be able to give me number, like how much sales volume growth would you expect year-on-year on a sustained basis?

Nandakumar Tirumalai: See the capacity has gone up in the current year as the numbers have been given to you that will come for the next year full year. This year only part year it came. So you can expect that for the full year next year for India soda ash, India bicarb and UK pharma grade salt. That will be the incremental volume next year.

Dishant Gupta: And that capacity increase would be according to you, it is met by the demand, means the demand growth also would be expected as much, right?

R. Mukundan: Yes.

Dishant Gupta: Okay. Thank you so much.

Moderator: Thank you. Participants, kindly restrict to 2 questions per participant. Next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Yes, Namaskar, Sir. And thank you for this opportunity. Firstly, can you provide us with the import number in tonnage for the quarter and for the year as a whole? As you mentioned that MIP did not play any role. So, post the imposition of MIP, how have things been? And also, any update on ADD Sir?

R. Mukundan: There has been a reduction. My views is that and I am giving my Company view, that MIP number is not impacting. It is about a million ton of material that came into India. But I think ADD, the investigation is on, so it is on. I would not like to comment on a matter which is quasi-judicial process.

Saket Kapoor: Can I ask what are the current utilization levels and what are the capacity additions for both soda ash, bicarbonate and salt? So, if you could just give some color for the next financial year, how are the capacities likely to be set?

Nandakumar Tirumalai: See, our numbers we have with you in terms of Tata chemicals, that is there. And beyond that, capacity expansion is almost, look at US, very unviable. But do not look at much expansion coming on board, excepting China, which is already at the Inner Mongolia, is fully operational. Otherwise, we do not expect at the current prices that companies can put up capacities which will be viable.

Saket Kapoor: That's correct, but I think the Rs. 2,000 crore CAPEX which we have spoken for this Financial Year.

R. Mukundan: Our capacity, as Nandu has already mentioned, 230,000 ton of soda ash and 140,000 ton of bicarb has fully come on stream. What you saw in quarter 4 will be now seen in through the full year. That is the upside.

Saket Kapoor: Okay, Sir. I will join the queue.

Moderator: Thank you. Next question is from line of S. Ramesh from Nirmal Bang. Please go ahead.

S. Ramesh: Thanks for the follow-up. So, if you were to achieve the full utilization of your expansion in Mithapur soda ash and bicarbonate, in terms of the deprecation run rate, would it be similar to what we saw in the 4th quarter for the full year of Rs. 72 crores or should we pencil in some increase there? And on this sort of utilization, after the depreciation, would we be able to achieve the normal EBIT margin and ROC of around 20%?

Nandakumar Tirumalai: Ramesh, we capitalized sometime in October, so this Q4 would be the right number to track for the full year going forward, quarter wise.

S. Ramesh: So that entire 230,000 we can expect to be done in FY26?

Nandakumar Tirumalai: Yes. and 140kT bicarbonate.

S. Ramesh: Okay. So just some thoughts on the UK tariff rebates for Indian exports under the FTA. Any impact for soda ash, bicarbonate, or any other business?

R. Mukundan: From UK, we bring in very high-quality pharmaceutical grade products into India. Our exports to UK are not there but certainly we are examining opportunities to export high grade pharmaceutical products once we start making in India. As of now, we don't manufacture in India, we make the pharma grades only in UK, but it's an opportunity to manufacture in India.

S. Ramesh: Thank you very much and wish you all the best. Thank you.

Moderator: Thank you. Next question is from line of Aditya from DB Securities. Please go ahead.

Aditya: Hi, Sir. Thank you very much for taking my question. So, I had a quick question based on your initial comment. You said the number of the volumes are increasing on the India front now and and other regions, right? Would it be enough to compensate for the decline you're seeing in other regions?

Aditya: In the sense that your decline in terms of the prices in your presentation says that some sort of a demand is tapering down in US, Europe and China as well, right?

R. Mukundan: Yes, so in UK we don't manufacture soda ash anymore. It's mainly the soda ash bought from the US, which we sell to customers with whom we have contracts in UK. We do not manufacture soda ash. What I meant was the capacity which went out in UK will get compensated during the course of the year by India and Kenya put together. India has already added 230,000 tons, there is another 50,000 ton which is coming in Kenya. So that should compensate for the loss of volume. So, we will be able to go back to our volume which existed when UK used to operate fully, soda ash. In terms of bicarbonate, there is a minor reduction in UK of 40,000 ton which used to go to the flue gas treatment market because in India we have already added 140,000 ton. I think our net increase in bicarbonate will be 100,000 ton already. And salt, we have added 70,000 ton in UK of the high-grade pharma salt. And our capacity in India is fully operational. And there is further expansion coming on stream, which we will review during the course of the year and come back to you.

Aditya: Sir, just to follow up on that, would that compensate for any increase in the production on the India side, right? Will it help us sustain the EBITDA above the last year margin because it's now below 10%, right? And there has been a steady decline. I understand that the volumes are going up, but pricing pressure remains, right? If certain markets do well?

R. Mukundan: Correct. So, Aditya, the pricing pressure remains. And what we have done is reconfigured our UK operation. That should be an upside next year. So that should get fixed because costs were high and we were having negative margins there. That is no longer there. And I mentioned that UK will transition to the same situation which we have in Kenya, which is a profitable unit. India would continue to. So, you have 3 units which will be clearly in the positive zone. US exports remain a bit of a challenge, but we will work our way through that through ensuring cost and operational efficiencies. So, you could wait for the operational details as we move along, quarter 1 and quarter 2. That would give you an indicator of the way we are going to be transitioning into next year. The last 2 quarters are not a reflection of what the Company is planning to do next year.

Aditya: Would you like to give some guidance on where the EBITDA margin should look like for FY26?

R. Mukundan: We do not give guidance, Aditya. As the year unfolds, by quarter 2, you would have a clear direction of where we are.

Aditya: Okay. So, your second last question, Sir. With tariffs coming along, right, do you see that because there is a clear pressure on China, do you see some of those export volumes might be given to us or can we basically take advantage of that in case if there is a sustained pressure on exports out of China?

R. Mukundan: In our view we have not factored any of the major issues around tariffs. It may lead to rebalancing of supply demand centers and as of now from the centers we manufacture we have not seen a major shift in the way we need to rebalance our market portfolio, and we will keep updating you every quarter because this is a fast-moving situation, and we cannot project for the future. As we speak, our view is that our production center and market portfolio, we are not seeing any major shifts in the demand patterns as we see. But if there is a substantial change, we will update you at the end of the first quarter.

Aditya: Okay Sir, thank you very much and all the best.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as a last question. I would now like to hand the conference over to Mr. R. Mukundan for closing comments.

R. Mukundan: Thank you for joining the call today to all the participants. While the market conditions remain challenging, our endeavor is to excel in operations through innovation, digital and customer delight. We continue our journey to embed sustainability guided by Project Aalingana, which the entire Tata Group is focused on. Our focus is to expand the core, while being calibrated and this will also include broadening the portfolio with high-grade and high-value-added products. As highlighted in the previous calls, market remain range bound and the pricing scenario would continue as it is, at least in the immediate term. We expect over a period the market profiles to change and especially the positive benefits of sustainability as a driver will come into play. In terms of our approach, we would continue to focus on ensuring cost optimization and focusing on becoming more competitive. We will also be looking at ways and means to improve our capital program, including working capital. And we look forward to seeing all of you in quarter 1 of FY26. Thank you all and safe days ahead. Thank you.

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