



“Tata Chemicals Limited
Q4 & FY26 Earnings Conference Call”

May 04, 2026

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Moderator:

Good evening, ladies and gentlemen, and welcome to the Q4 and FY26 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, please signal an operator by pressing star then zero 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 risks and uncertainties. I now invite R. Mukundan to begin proceedings of the call.

R. Mukundan:

Thank you, Darwin. Good evening and welcome everyone to our Q4 and FY26 earnings call. I will start the discussion with a brief overview of the industry and then our operational highlights across business and geographies.

Global demand is expected to be broadly flat in the near term, constrained by weak macroeconomic conditions and more specifically amongst all our products, the soda ash excess capacity.

The recent Middle East conflict has driven up the energy and raw material prices, increasing production costs across various parts of the world, especially other than US. It has increased our shipping and transportation expenses. Despite these pressures, there is no clear evidence as of now, at present, of demand erosion, but however, a prolonged conflict could begin to weigh on demand. India continues to exhibit relatively robust demand growth with higher capacity utilization across all sectors.

China and US are witnessing flat demand, mainly in US it is due to the reduced off-take in the container glass segment. The geopolitical risk and ongoing tariff uncertainties continue to cloud the global demand visibility and this tariff uncertainty is mainly with respect to US-China tariff issues. While the pace of economic recovery is expected to be slow in the year ahead, we do believe solar glass and lithium carbonate are expected to continue to drive demand, especially since the world would certainly pivot towards more renewable and more natural energy sources. Soda ash globally would be gaining from this growth in this segment.

In terms of supply scenario across geographies, China inventories remain elevated. The market sentiment softened slightly during the quarter 4. In addition to that, while several things happened, the Chinese units did begin to slow down and carry out their maintenance work. One unit, which is about 800,000 tons Hubli plant, sort of had an expiration of production permit and it has started to do maintenance work.

We also know in US, one of the producers with 1.36 million tons capacity has also mothballed its plant. Solvay, we know already, had done about 180,000 tons of reduced production from their Spanish plant. This process is only going to help us to balance the demand-supply equation.

In terms of pricing, while in the month of March there were certain corrections, what did happen towards the end of March, the prices saw a slight increase to compensate for energy and raw material prices and higher shipping costs. US domestic prices remained flat. China spot export offers remain steady between 150 and 170. This resulted in Southeast Asia prices remaining unremunerative, especially for the US producers. Overall, pricing is expected to remain range-bound and react to mainly the energy cost increases, which some of the producers may pass on.

Now I will move to operational highlights. In terms of the consolidated performance, the revenue was down by 2% at INR 3,438 crores compared to previous year. Lower exports from US was offset by higher volumes in India. EBITDA was at INR 274 crores compared to INR 327 crores Q4 of last year, mainly on account of subdued prices across all geographies.

An exceptional charge of INR 1,837 crores is provided on account of impairment of goodwill in US and INR 159 crores of deferred tax write-off. This tax write-off is expected to be reviewed once the unit starts making profits. Profit after tax before exceptional item was negative INR 279 crores compared to negative INR 12 crores last year. Net debt without leases as on March 31 stood at INR 5,961 crores.

In terms of standalone, the revenue from operations stood at INR 1,254 crores, up 3% compared to previous year's same quarter. EBITDA at INR 216 crores was down by 6% due to lower realization. Profit after tax from continuing operations was INR 48 crores, down 51% from Q4 of last year. During the quarter, we acquired Novabay Pte Limited, Singapore, this acquisition was completed on 19th March 2026. In addition to this, 50 kilo tons of electric calciner soda ash was operationalized in Kenya.

Unit-wise, in India, Gujarat facility achieved 1 million tons of soda ash production. The performance is higher compared to previous year, however, price drop was offset by higher volume. Drop in EBITDA is due to increase in fixed cost compared to previous year. US export volumes were lower and South-east Asia market realizations were unremunerative.

UK had lower revenue due to lower volumes, partly offset by pricing. PBT is higher than previous year. Increase in volumes in Kenya was partially offsetting the lower realization. Singapore acquisition, as I mentioned, was completed during the quarter. Rallis saw an overall revenue growth of 6%, volume growth of 5%, and price growth of 1%, driven by growth in both crop care and seed business.

Overall, when you look at the context of strategy, the non-soda ash revenue grew 14% from INR 6,118 crores in FY25 to INR 6,946 crores in FY26. This is in line with company's focus to grow non-cyclical business and non-soda ash business. In conclusion, geopolitical developments in West Asia since late February have led to disruption in supply chain, these have resulted in higher costs. This impact has been varied across geographies; however, overall sales performance remains steady.

Management is focused on reinforcing supply chain planning, maintaining cost discipline, improving operational agility to address near-term disruptions. Our priorities remain firmly aligned to protecting margin, preserving cash flows, and maintaining balance sheet strength. We also continue to adopt a very disciplined approach to capital allocation, and we want to ensure resilience through this current phase of cycle. We would be focusing on growing non-soda ash revenue in line with long-term strategic objective.

With that, I close my comments and hand it back to moderator to open for Q&A.

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

Saurabh Jain: Hi, thank you for the opportunity. Can you please expand a bit on the disruptions that you're noticing because of the Middle East conflict? In particular, how is it impacting your raw material sourcing across your regions and any outlook you would have that if the conflict stretches from here, can it materially impact your availability to procure your raw material?

R. Mukundan: Thank you, Saurabh. Firstly, I would say that US operations remain largely insulated from this disruption. The UK operation also largely is insulated because the key element for them is the brine which they wean from their own brine wells. In addition to that, they did see some increase in spike in the unhedged portion of the gas, but this is only a price issue, not an availability issue, and part of that price increase we have also informed the customers and have also made the requisite changes there.

With respect to India, thankfully has been working with imported coal, mainly from Indonesia, which is not disrupted, it's continuing as we speak. Of course, there's a movement in pricing for for which we have taken price changes. Our biggest issue in India has been mainly the availability of imported limestone. While we have adequate stock, we've also moved to blended domestic and imported limestone, which is enabling us to run the unit well and at least we don't see any big issues for the next three months.

I would say amongst all the units, the one which probably we need to watch closely is the Kenyan unit, which depends on HFO. As of now, they've got about 40 days of supply. We are monitoring this closely and the HFO comes from Middle East and we need to ensure that we have alternate sources, which -- about which we are working through the system. So all in all, except for one key element, which is HFO which is bought for Kenya, all other units are absolutely safe and sound from the input disruptions.

The big issue for us which we are trying to monitor is, while we have passed on the cost increases to customers, would any of our customers be under pressure in terms of the impact from this crisis. Up to now, we have not seen it in the marketplace, but we remain completely watchful on that account.

Saurabh Jain: Understood. Do you also have any ammonia needs in our domestic India manufacturing?

R. Mukundan: Yes, there has been a notification on ammonia. I'm glad you brought that out because while it is a very small quantity, it is nonetheless a quantity which is cycled through in terms of, you know, one tanker for every 15 days or so, and up to now, we have adequate supply. We are able to source from the market, but the fertilizer units have been advised not to supply to non-fertilizer users. We've written to government that this order is going to impact all of us.

As of now, we are fine, but we're closely monitoring it and we are also sure government will look into this. It is about 1% of the entire ammonia consumption in the country. Hence should not disrupt the fertilizer for the farmers, but at the same time, if this were made available to the industry as freely as it was before, we wouldn't have any issues with respect to any of our production challenge in India.

Saurabh Jain: Understood. That is very helpful. A related question will be that you talked about cost inflation you're noticing in different production facilities across the regions. Can you also give us some sense what kind of price hikes you would have taken in different regions and also whether all of the raw material cost inflation that you would have been noticing now, does it also need more price hike or everything is factored in?

R. Mukundan: See, in terms of the price impact, the cost impact, if you look at US, it's mainly in the diesel, which is used in the diesel vehicles which we run in the plant for the mobile units which are there, and overall in the cost structure, it is not a big number. And we are more or less hedged in terms of our gas, so I don't think there's going to be a big issue there. What we are certainly doing is the shipping costs which have increased is being passed on to our customers who we ship, in a very transparent manner.

We are not doing beyond what is the cost increase. In terms of UK, certainly we have informed the customers, but the issue in UK why I'm not commenting is, our unhedged portion actually moves on a daily basis. So if I pick a day where the spike is high, then it will look like the position is uncovered and we are not recovering fully. If I pick another day where it is, we would rather wait for a month or so to say whether the price increase is fully covering the cost or not.

As of now, on a weighted average basis, it does cover, but we will know only as we move forward. As far as India is concerned, again we've covered the cost increases fully, whatever we had in terms of the energy cost as well as the additional cost to get the transport the material from the markets in both in Indonesia and the Middle East for limestone and coal.

So, in all places, we have been able to pass on the increase. Kenya too has done the same, but in Kenya it's not a price issue, it's an availability issue which we are working through. And as I mentioned, we are hopeful the next shipment will enable us to go beyond the 45-day cover we have today.

Saurabh Jain: Understood. Okay, sure. A related question would be that, you know, if the RM costs kind of don't really kind of increase from here, is it a safe assumption that the margins that we delivered in Q4, that those are the bottom margins? And if the costs don't increase materially from here,

there is a possibility that we could do better on the profitability or you still would believe some sort of margin pressure could sustain in the Q1 as well?

R. Mukundan: So I can only speak about what we have witnessed up to now, and this is something which could change in future. We're fully covered and as far as the numbers are concerned, they should reflect what we've seen. Going forward, if something happens dramatic that we cannot predict, we'll have to probably come to and talk to all the analysts and investors. But as of now, we're fully covered. What we are watching is the Kenyan situation.

Saurabh Jain: Understood. Okay. And are you also noticing any inclinations from your customers to try to ask for to shift away from the short-term contracts into the mid-term contracts for soda ash? Any that kind of excitement, are you noticing any of those signs?

R. Mukundan: All I can say is that customers have become now more sensitive to domestic sourcing because they have realized the difficulty of depending on imports. So we are witnessing, especially in India, those who were importing have certainly have made requests to us to increase the allocation because their view is that going forward, they would like to reduce the dependency on imports. While they will maintain a share of imports versus domestic supply, the realization that they would not want to take a risk on the imported material is a positive on the market front.

Moderator: Our next question comes from the line of Sumant Kumar from Motilal Oswal.

Sumant Kumar: My question is for US. Sequentially, we have seen an improvement in EBITDA okay, from last profit. So can we say this is because of you have cut down your export where you were making losses? And also if it is so, what is the mix of domestic sales for US and export mix?

R. Mukundan: You're right. we will not be selling in the unremunerative market, which today for us is mainly Southeast Asia. That is what has happened during the quarter.

Sumant Kumar: Regarding fuel cost, in this quarter, how to what extent we have an impact because of higher fuel cost in the market across geography?

R. Mukundan: In terms of cost, we have no impact at all, because usually we have different levels of stock and different positions of hedging. For example, in India, we usually carry three to four months of stock, and this more or less would help us to work through. If at all any increases will come through going forward, so we do know the coming shipments are going to be expensive, so we have actually spoken to customers and taken the corrective actions there.

As far as US is concerned, as I mentioned, the gas is fully hedged and we are keeping a watch on those prices. Our biggest issue continues to be in Kenya where while we have a cover for 45 days, beyond that cover, we'll have to buy at the market rate and the market rate has actually shot up quite a bit in terms of going up almost 50% to 60%, which we are engaged with customers and have informed them and we are dealing with this in a very transparent basis.

- Sumant Kumar:** Okay. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Vivek Rajamani from Morgan Stanley. Please go ahead.
- Vivek Rajamani:** Hi, Sir. Thank you so much for the presentation. You did mention that we are seeing a few closures or some capacity taking maintenance. You did give examples of a capacity in the US and in China. Just with respect to that, could you just talk about how soda ash flows have started to change, if they have, because of the conflict?
- And if we could see some relief with respect to, some of the regions potentially slowing their exports or you could see some relief in terms of pricing, which you were obviously suffering because of the lower dumping that was happening. So, are you starting to see some sort of relief because of these flows or do you expect that to kind of happen over the next couple of quarters?
- R. Mukundan:** See, what we are certainly seeing is the imports have slowed down. They've become almost half of what it used to be pre-conflict. That's the net effect, the result of the slowing down of exports which Iran was doing as well as the Turkey which was coming through the Red Sea, those two have certainly slowed.
- Also, the movement from other exporters have reduced during the period because I'm talking about the first month of April what we are seeing, but this trend is likely to continue in our view. So certainly, in India, we are seeing an impact of war and also customers are also very clearly wanting to have a higher share of domestic supplies. that's all we can say.
- In terms of any other pressure point in terms of prices coming down, it's actually going up because shipping costs have increased. So, the landed cost in India has gone up because of the shipping cost.
- Vivek Rajamani:** Sure, sir. That's clear. But it would also be fair to say that the increase is purely a cost of an exercise, so margins will potentially have to wait for a bit longer to kind of benefit. Would that be a fair statement?
- R. Mukundan:** It would vary between market-to-market, but it's a fair statement. Also, there's a play which will happen because of rupee depreciation. That also brings in a natural protection for the Indian market. So, you'd see all these effects play out. So, we do believe that it's going to be positive for domestic producers and domestic sales in every part of the world.
- Vivek Rajamani:** Sure, sir. Thanks. And just one last clarification on UK. You were reporting positive numbers for the last three quarters. Could you just explain what happened this time around with respect to the EBITDA? Thank you.
- R. Mukundan:** Yes, this time the main decision which we had taken was there were certain operational changes which we had to do with respect to our product and product production capability and capacity.

We preponed the shutdown which was planned in April into the month of March. This was done proactively to have a better run next year.

And that's the impact you're seeing in terms of numbers. Otherwise, it would go back to the normal number. In fact, because of the preponing of the maintenance, we do believe that we will be have much better operating parameters than what we had before.

Vivek Rajamani: Sure, sir. Thank you and all the very best.

Moderator: Thank you. Our next question comes from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Yes, hi sir. Thanks for the opportunity. First question, in your opening remarks you did highlighted some plants either going for a longer sort of maintenance or maybe mothballing. Does it change the overall demand-supply dynamics given the incremental supply that was coming from China?

R. Mukundan: No, see the point which I want to highlight on China is that their inventories are fairly high even today. The inventories are close to 1.8 million tons, but it's been stable. Unless the stock levels come down, we cannot see the major impact flowing through to market. So, we will sort of highlight this inventory level in every quarter.

As of now, it's pretty range bound as I highlighted. The Chinese prices while they do show an increase in dollar terms, but in the Renminbi terms they have remained more or less flat at about 1,250 renminbi or so per ton.

Ankur Periwal: Sure, sir. And just a follow-up there, there was an expectation that probably, the synthetic, the older plants in China may see a shutdown with this natural sort of production increasing. Any updates, anything on that side or it's still the same capacity?

R. Mukundan: It's the same capacity, but they're running many of them are taking a maintenance closure and many of them are running at a lower utilization. But clearly what I would say is that the early signs are that we are beginning to see some movement, but it's not today of a number which is of a substantial nature to highlight.

So, I would certainly say that it is beginning and the numbers are also showing. We've also looked at the listed companies and their financial numbers. Their operating parameters are under financial stress.

Ankur Periwal: Sure, sir. And just lastly on our, the cash flow generation from the business. We have seen a sharp dip in operating cash flows, which is, in a way being led by the working capital decline as well sorry, increase as well. So, any thoughts there, how should one look at, the cash flow generation across the businesses or is there any one entity which is impacting, the overall company's cash flows? So, your comments over there. Thank you.

- R. Mukundan:** fundamentally we have to ensure that we exit from unremunerative market which we have done. Barring for last quarter we did do one shipment to Southeast Asia which was unremunerative because there was already a pre-existing contract. Other than that, we have now stopped it. So, we would only see this improve going forward.
- And also, since we are focusing more on domestic and the proportion is mostly higher with domestic, you would also find that the working capital cycle improve and that should also release some cash.
- Ankur Periwal:** Sure, sir. That's helpful. That's it from my side. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.
- Rohit Nagraj:** Yes, thanks for the opportunity. So first question is in terms of the increase in operating cost. Given that we are safeguarded from the inventory, but generally speaking increase in the fuel cost as well as the logistics cost, what would be the increase in opex across our four facilities given that if the new high-cost utilities come into play? Thank you.
- R. Mukundan:** I can't give a specific number. All I can say is that the logistics cost on the output side is mostly a pass-through for customers because they do as a part of the contractual arrangement which we have. Whereas the input cost increases, it is already transparently communicated to customers and passed on those increases. In all the units it's been more or less been at par with what our cost increase has been, except in UK where I said because of the fluctuating gas prices we're not able to pin down, but on an average, it is fully passed on to the customers.
- Rohit Nagraj:** Sure. And second question is you talked about multiple capacities getting in shutdowns or probably extended shutdowns. Has this happened particularly post the conflict or it happens before that? I mean just to get understanding about what all capacities have been shut or how much capacity has been shut post conflict and the earlier was I think it was not there in the system?
- R. Mukundan:** Yes, most of them had initiated this process pre-conflict. Conflict may have accelerated their decision, because we are talking about a period in quarter where the conflict was and the visible effect started to show itself towards the end of March. So really this was a pre-conflict issue. We are monitoring the situation, and we'll give the better update in terms of post-conflict what are the changes in the next quarter results call.
- Rohit Nagraj:** Thanks a lot and all the best.
- Moderator:** Thank you. The next question comes from the line of Arjun Khanna from Kotak Mutual Fund. Please go ahead.

Arjun Khanna: Sure, thank you for taking my question. My first query is on our new capex plan. So we have enumerated almost INR 15 crores of additional capex. Could you help us with what kind of IRR we expect to generate on these four projects?

R. Mukundan: If you look at the capacity expansion which is immediate, which is INR100 crores, will come on stream immediately in about 12 months to 14 months' time. The return is expected to be in the upwards of 20%, which is our cut off and this is a debottlenecking on our current plant because we do believe with the current steam capacity we can produce more and the market needs more every year.

The precipitated silica plant is undergoing a review, detailed review in terms of various elements, but if this capex were to stay, this will be towards anywhere between 15% at the low end or 20% at the high end. The dense ash is actually repurposing of our existing plant, so bulk of the expenditure is on repurposing. This probably is going to be the least cost dense ash plant built anywhere. We would be exiting after the decision is taken from our cement business and will be using the same facilities to make dense ash. Vallinokkam by the same token again is in the range of 20%.

Arjun Khanna: Sir, just on the Valinokkam, if one looks at the intensity, it's capital intensity is 2x of that of Mithapur. So why would IRR be 20% unless the selling price is double?

R. Mukundan: The big issue which I want to highlight is in salt cost structure, production cost is one element, but the logistic cost is equally high.

Arjun Khanna: The freight, right.

R. Mukundan: Yes freight. So what we will be saving in this is primarily freight in the Southern markets and we've mapped out the Southern markets which can take easily. So probably we will have a slightly higher capital cost will be offset by the savings in the logistic cost.

Arjun Khanna: Sure. And we generally sell this to a group company Tata Consumer. So in terms of our contracts, is it on a cost-plus basis? I know in 2019 during the time of demerger we had mentioned, has there been any change in the agreement since then and what are we currently making on related party transactions?

R. Mukundan: No, all this is part of the same structure, and we are continuing to do exactly as it has been approved by the board and our arrangements remain the same. This has also been reviewed by the management of Tata Consumer, and which is one of the reasons we are going ahead with it.

Arjun Khanna: Sure. So just to understand, for the iodized salt we are looking at 15% to 20% IRR for these projects. Obviously, soda ash will be very remunerative. And just on the precipitated Silica Plant, so current HDS prices and if we look at various grades it seems to be at around INR 80 a kilo. So I don't get how you'd be making 15% to 20% margins. IRR on the Cuddalore facility

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R. Mukundan: See the big difference is that we are in South India and Silica is a very bulk commodity and logistic cost is extremely high. We are the only unit which will be in South, rest of the units are in Gujarat. There's a freight cost difference between them and we are supplying only to the tire industry.

Arjun Khanna: Sure. Maybe I'll take this later. Just the follow-up and the last question is given that we have taken a write-down of goodwill in the US given soda ash prices, does that mean that logically we won't be undergoing any capex in the US market?

R. Mukundan: We had made it clear that our capex for the soda ash business is going to be only when the cycle returns and we are very clear about it. The capacity which we spoke about dense ash is a repurposing of the existing plant, other than that we have no other plans in terms of investment there.

Our investments are fundamentally focused on non-soda ash businesses, which is bicarbonate, salt, bromine and various other chemicals. And that's what we're focusing because this is cycle is still not complete. Only when we get a very clear sign that the cycle is shifting is when we'll start investing.

Arjun Khanna: And our net debt ex-leases close to INR 6,000 crores. How do you see that play out over the next year? What capex's do we have lined up for FY27?

Nandakumar T.: Around INR 1,300 crores capex for next year, Arjun. And next year we expect the debt to remain overall at similar levels because the pressure on the business is there for next year also. So we're expecting the debt to be more or less in the similar level as current year March ending 2026. It may not change too much from now.

Arjun Khanna: And what would we be spending this INR 1,300 crores on?

Nandakumar T.: See, mostly on maintenance capex we have in both Mithapur and US, plus some capex on Vallinokkam and Silica, and some capex also for the Singapore Company we acquired recently. So broadly it is maintenance capex in all geographies, mainly Mithapur and US, and growth capex in South India and Singapore.

Arjun Khanna: Sure, fair. Thank you and wishing you all the best.

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

Abhijit Akella: Yes, good evening. Thank you so much, sir. Just two from my side. One is with regard to the valuation review that was conducted for the US operations. Did that cover the mining rights assets also that are part of the US books? I believe those are fairly large amount.

- Nandakumar T.:** Yes, I talk about that. See, in the US GAAP, there's no mining rights, so there's only a India concept. There's only a goodwill in the US books. So mining rights only in the India and the IFRS part here. So we only impaired the goodwill and not the mining rights. So \$208 million is the impairment of goodwill which is there. The mining rights remains intact. US GAAP there's no mining rights, it's only goodwill.
- Abhijit Akella:** Okay, but were these mining rights also assessed in terms of, the value of that they carry at this point in time
- Nandakumar T.:** Yes, they are intact. See, we value an entire business as a whole and then we see what the value worth is now. With the shortfall, first we knock off goodwill. So this \$208 million is only goodwill, which means the mining rights are intact in the Ind AS books.
- R. Mukundan:** And we are depreciating the mining rights.
- Nandakumar T.:** Yes, over 100 years based upon the life. So we take a write-off every year 100 for last 10 years and going forward. That is the gradual drop in that based upon the mine life left over. So broadly that's the way we look at things here.
- Abhijit Akella:** Okay, got it. And just the other one on the silica plant at Cuddalore, the INR 775 crores investment. So would it be possible to just help us with the broad expected revenues and maybe EBITDA from that project, the 50,000 tons we are putting up?
- Nandakumar T.:** The next call we'll update you watching all of people. I thought very early stages now here, but we'll talk about more about them maybe in the Q1 quarterly call.
- Abhijit Akella:** Okay, but I mean 20% ROCE would mean something like say INR 150 crores odd of earnings EBIT from that project. Would that be a fair assessment?
- Nandakumar T.:** We work out based upon those numbers and we will talk more about them maybe end of Q1. And the assessment is done based upon a market view of what's going to happen. And if you look at this plant, there's no incremental fixed cost. It's the same plant only you're going to have there. So you go in the same location you're going to add more capacities. Therefore, the fixed cost would remain same.
- So you get a operating leverage there and therefore you'll be ending up earning more EBITDA per ton. That's the broad concept. It's not a greenfield, it's more like a within the same location adding more machines with the people being more or less constant.
- R. Mukundan:** So it's broadly in the range, Abhijit.
- Abhijit Akella:** I see. I mean the INR 775 crores is all incremental capex, right?
- Nandakumar T.:** Yes.

- Abhijit Akella:** Okay, all right. I'll take it offline. Thank you.
- Moderator:** Thank you. The next question is from the line of Aatur from ICICI Prudential Mutual Fund. Please go ahead.
- Aatur:** No, thanks. My questions have been answered. Thanks.
- Moderator:** Thank you. Our next question comes from the line of Saket Kapoor from Kapoor Company. Please go ahead. Saket, your line has been unmuted. Yes.
- Saket Kapoor:** Yes. Hello, sir. Hope I'm audible.
- R. Mukundan:** Yes.
- Saket Kapoor:** Yes, sir. Firstly, what are the signs of the incremental demand from the solar glass manufacturers? Particularly, some new capacities were anticipated to commercialize for the current financial year. And what's the outlook going ahead, especially from the solar glass? And then, sir, the update on the re-initiation of the anti-dumping duties, what's the update on the same? This is my first question.
- R. Mukundan:** So the thing which is being investigated along with ADD is also safeguard duty, which will have quantity restriction. That's what the government is looking at rather than just put duty on, they also want to put the quantity restrictions in place. The second piece is on the solar glass. It's safe to assume that when the solar glass units are running, we would be anywhere between approximately 7,500 - 10,000 tons of demand every month for the dense ash incrementally during the initial period. But we'll come back with the exact specific, how this demand is going to grow as each one of the units comes on stream.
- Saket Kapoor:** As per the program outlined by the solar glass manufacturer, what is the anticipated demand? Have you worked out a number on the same? the big updates are coming this year.
- R. Mukundan:** Which is the main reason we are doing this unit in the conversion of cement plant to dense ash plant is to cover that demand. We do expect at least 50% utilization as it comes on stream and the balance with the growth, which is why we are doing the repurposing of the cement unit.
- Saket Kapoor:** Okay, and sir, currently with the type of geopolitical scenario playing out and imported material hindrance, what kind of -- how are the imports being affected on a monthly basis from the other geographies into the country?
- R. Mukundan:** Yes, broadly one would say that anywhere between 70,000 ton to 80,000 ton/ 1 lakh ton was the imports depending on which month you pick up, and that has reduced to half right now.
- Saket Kapoor:** Okay. And those are supporting the domestic volumes and that is being supplied by the domestic players. That is how it is getting...

- R. Mukundan:** That is what has happened. There's the increased focus on the domestic players and we are supporting the Indian customers as well as we can from the domestic source. All the players are doing the same.
- Saket Kapoor:** And sir, in terms of the flue gas are part of the story, how is the sodium bicarbonate demand currently shaping up and what are our utilization levels in terms of the same?
- R. Mukundan:** I won't have the exact number of how much percentage of our output goes there. We increased our output from about 140,000 ton to 290,000 ton in India, which is fully sold out now. And with the increased production from power from coal-fired plants, this demand is going to continue to grow and it's the biggest buyer is of course NTPC and we do work with them very closely.
- Saket Kapoor:** Last point is on the freight and forwarding charges, sir. When we look at the standalone numbers, the volume increase is I think so from 2,15,000 metric ton to 2,22,000 metric ton, whereas the freight and forwarding charges have gone up from INR 148 crores to INR 166 crores. And similarly, the employee benefit costs have also risen significantly from 67 crores to 84 crores. So, what explains these two inflationary trends, sir?
- R. Mukundan:** So, the employee one is the year-end adjustments which we make, if you ideally take the full year number, which is INR 293 crores versus INR 313 crores on the employee side. On the freight side, you want to get back, Nandu?
- Nandakumar T.:** Yes, come back on that separately. I don't have the numbers offhand.
- Saket Kapoor:** Okay, so 10% increase, it is not 10%, sir, I think so it's a higher amount. INR20 crores, yes, more that, sir. From INR 150 to INR 166 crores where the volume has not risen commensurate to that. So that was the reason for my question.
- R. Mukundan:** Okay.
- Saket Kapoor:** And sir, partly in the non-soda ash revenue, what are we including in this INR 6,000 crores revenue part? So, what is the major item that we have?
- R. Mukundan:** Everything other than soda ash, fundamentally bicarbonate, salt, silica, FOS, bromine, chlorine, cement, also Rallis, all that is included in this.
- Saket Kapoor:** Thank you, sir, and all the best to the team.
- R. Mukundan:** Thank you.
- Moderator:** Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to R. Mssukundan for closing comments. Over to you, sir.

R. Mukundan:

Thank you for joining the call today. It's been a difficult quarter and a difficult operating environment, but what we are focused on is disciplined execution, strengthening the supply chain responsiveness, maintaining strict cost and cash flow discipline, reinforcing the portfolio action in terms of moving towards higher percentage of non-soda ash business.

These actions taken over the next few quarters will improve further the outcomes in terms of margin and profitability. Our commitment to customer service and operational continuity, especially in the current times, remains the very focus. Our long-term value creation remains one of the key top agendas which we have for that. We have experienced team which is well-positioned to manage the current uncertainties and continue deliver sustainable performance for all shareholders. Thank you and see you all for the Q1FY27 results call.

Moderator:

Thank you. On behalf of Tata Chemicals Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.