November 17, 2023

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 second quarter and half year ended September 30, 2023

Further to our letter dated November 10, 2023, we enclose herewith a copy of the transcript of the Analysts/Investors Call on the Unaudited Consolidated and Audited Standalone Financial Results of Tata Chemicals Limited for the second quarter and half year ended September 30, 2023 held on Friday, November 10, 2023.

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 M CHANDAN
Digitally signed by RAJIV M CHANDAN
Date: 2023.11.17 15:51:45 +05'30'

Rajiv Chandan
Chief General Counsel
& Company Secretary

Encl: as above

Tata Chemicals Limited

Q2 and H1 FY '24 Earnings Conference Call Transcript
November 10, 2023

Moderator: Ladies and gentlemen, good day and welcome to the Tata Chemicals Limited Q2 and H1 FY '24 Earnings Conference Call.

I now hand the conference over to Mr. Gavin Desa from CDR India. Thank you, and over to you, sir.

Gavin Desa: Thank you, Zico. Good day everyone and thank you for joining us on Tata Chemicals Q2 and H1 FY '24 Earnings Conference Call.

We have with us today, Mr. R. Mukundan – Managing Director and CEO, Mr. Zarir Langrana – Executive Director, and Mr. Nandakumar Tirumalai –Chief Financial Officer.

Before we begin, I would like to mention that some of the statements made in today's discussions may be forward-looking in nature and may involve risks and uncertainties.

I now invite Mr. Mukundan to begin proceedings of the call. Over to you, Mukundan.

R. Mukundan: Thanks, Gavin. Good evening and welcome everyone to our Q2 and H1 FY '24 Earnings Call. Let me start by first wishing all of you greetings for the festive season and Happy Deepavali.

I am joined by my colleagues, as mentioned by Gavin, Zarir Langrana and Nandu. I will start the discussion with key operational highlights across business and geographies, after which our CFO will walk you through the "Financial Performance" for the quarter.

Overall, amongst the markets where we have sizable presence, India and U.S. were stable. There was softness in some segments of the market, especially in container glass. Our prices have remained subdued with new supplies coming from China or at least the new supplies being announced out of China. There has been a bit of a slowdown in spillover from China into other markets. Overall, in the medium-term, the outlook for soda ash remains stable backed by demand from sustainability sectors like solar PV and lithium.

As far as our company is concerned – we have maintained our market share in key markets through active customer engagement. Our cash generation was better with better working capital management. Our focus in some of the markets like in UK will remain on high value-added bicarb and pharma salt, and we will continue to focus on operational excellence to ensure our margins are protected.

We have repaid a debt of US$120 million in overseas units in the first half of the year. Our capex program will continue as planned for the projects which are already underway, and the future programs will continue to focus on debottlenecking with a very high capital efficiency.

Moving on to Rallis: Their quarterly performance was better than the previous quarter despite the challenging environment. As compared to the corresponding quarter last year, revenue did decline by 12% due to the subdued performance of international business, but domestic business remained stable. EBITDA for the quarter was higher by 14%, and Rallis' approach to ensure the right level of placements reflected in improved collections.

To conclude we believe that the core fundamentals of our main business, soda ash continues to remain steady. We expect the medium-term demand-supply situation to remain stable. While we are scaling up capacities of our core business by almost a million tons cost effectively mainly through debottlenecking, we remain very much focused on management excellence, debt repayment and strengthening our cash flows. Our endeavor is to maintain our customer engagements at a high level to ensure market position and continue to have steady contribution with focus on excellence.

That concludes my opening remarks. I now hand over the floor to Nandu who will take you through financial performance.

N. Tirumalai: Thanks, Mukundan. And good day, everyone. Let me walk you through the financial performance, after which we will get the Q&A.

Starting with headline numbers for the quarter: Our revenue for the quarter was Rs.3,998 crore, down 6% compared to last year's Q2. Decrease in revenue was driven by lower soda ash volumes and contribution being impacted mainly in India and Kenya.

EBITDA for the quarter was Rs.819 crore as against Rs.920 crore in the last year's Q2, 11% lower. PAT for the quarter was Rs.495 crore, lower by 28% compared to last year's Q2 which also has Rs.102 crore of exceptional gain booked in the quarter on account of a reversal of provision on account of a long pending entry tax issue we had with state government authorities.

Moving to each business starting with India: Revenue for the quarter was Rs.1,066 crore. Soda ash volumes were up 4% compared to last year's Q2. Pricing was lower because of which we had lower revenues as compared to last year. The salt business performed well and clocked steady volumes. Bicarb saw good volumes too as compared to last year.

Moving to U.S, business continued to benefit from better pricing during the quarter. EBITDA margin was at 24% for the current quarter.

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In the UK business, revenue was impacted as compared to last year's Q2 due to lower volumes which led to lower revenue by 7% in the current quarter. EBITDA was 19% for the current quarter.

As far as Kenya is concerned, both the volumes and realizations were softening, which in turn impacted margins and profits for the quarter.

As far as Silica and Nutra are concerned, both the businesses have a growth map in front of them. With time and investment, we expect both the segments to clock in consistent numbers going forward.

Moving on to Rallis: Revenue for the quarter was at Rs. 833 crore, 12% down compared to last year's Q2. EBITDA was Rs.135 crore, 14% higher than last year's Q2, PAT Rs.81 crore against last year's Rs.71 crore, up by 15%.

Our cash at the consol level was Rs. 1,701 crore at the end of September. Capex was Rs.418 crore. Net debt was Rs. 4,347 crore on account of dividend outflow, capex etc.

With that, I close the comments and hand it over back to Gavin to open for Q&A. Thank you.

Moderator: Thank you very much. The first question is from the line of Vivek Rajamani from Morgan Stanley.

Vivek Rajamani: Thank you, two questions from my side. Could you just talk a bit about the US, Volumes have not recovered back to the normal levels this quarter, and it also appears that the pricing for exports, which are more levered to spot have corrected quite a bit. So, could you just give us some color of what's happening there, and how we should think about this going forward?

And the second question I had was more specifically on China. Could you give us some color on, you know, what's the demand supply situation in China? I asked this because we did see a rally in spot prices in China a couple of months back, and recently, we have again seen a very sharp decline. So, any color on what's happening on the ground would also be very helpful.

R. Mukundan: Let me first start with China. I think in China the basic market issue was that there was a new supply coming from Inner Mongolia and in anticipation of which, many customers had delayed purchases, and they were hoping that prices would correct. But unfortunately, those disturbances did not happen in China. It seemed more stable than what the market participants would have thought should happen. The China inventory actually fell to a very low level from approximately 3 lakh tons, it had fallen down to something like 2.7 lakh tons, and it is now up little bit. The issue in China in our view is that Chinese market has remained bit range bound, and the spillover in the international markets of volumes have not happened. That does not mean that it could not happen. We will keep a close watch on this.

And the other angle in China was about the demand situation within China which has remained slightly soft. A lot of measures by government and you would be reading this across sectors in the general news too. And the real impact of that we will wait and watch and see.

If you look at China numbers in terms of volume compared to last year are about 3% up. That is the overall number which we have done the calculation, but reality is that we need to keep a close watch on China. So, the news from China is the anticipated disturbance the market did not follow through. It was softer than what we had thought it would be.

Your question was on the U.S. market volumes, right? So, in terms of U.S. market volumes, in terms of domestic market share, we have more or less protected our domestic market share overall in the market. The pressure, as you rightly identified, was on the export market where the prices have broadly tended down from the previous quarter. From previous year, the export pricing is more or less same, but from the previous quarter, they have tended down approximately by $50-$60 per ton, and we anticipate that will be a stable number going forward. It is back to what it was the previous year same quarter. So, I hope that sort of explains the current market situation.

Vivek Rajamani: Do you expect the volumes in the U.S. to go back to, you know, the 600 kilo ton level or you think this is going to be a more normalized number going forward?

R. Mukundan: Actually, the domestic market in U.S. has been fairly stable except for some softness in container glass, and the real impact in the U.S. has been the export market where I think the South American Market, we do expect will remain stable. But I think the big issue we need to watch out for is the Southeast Asian market. So, I don't want to make an immediate commentary. We are watchful. If things turn out benign, then the volumes will be back to normal. Otherwise, it will tend towards what we are having in this quarter.

Moderator: Thank you. Our next question is from the line of S. Ramesh from Nirmal Bang Equities.

S. Ramesh: So, in terms of the Inner Mongolia capacity addition, what is the latest number we have in terms of confirmed capacity addition this year? And will we see the entire 5 million capacity being added in the next two months?

R. Mukundan: So, the public news is that the entire 5 million may come on stream this year. When I say this year, that is 31st March '24, but we think more realistically, it is likely to be close to about 3 million.

S. Ramesh: The second thing is, if you see the India performance, the margins are under pressure. So, what is the reason for the weak performance in India? Because rest of the world we can understand, but India, we thought the end user segments including property and automobiles are doing well. And last time you told that that there is a certain amount of overhang from increased exports from Turkey and the supply overhang in China. So, how much of that is still persisting in terms of channel stocks and re-consumption? And when do you see this recover?

R. Mukundan: The issue in India is not so much the demand, Ramesh. I think you rightly pointed out, India is actually probably the bright star in demand side. So, Indian market, we don't see it as a demand issue. But certainly, Indian market has suffered from heavy increase in imports. Indian imports which were broadly around, let's say, 13% or 14% of the total sales, that has doubled to close to 27%-28%.

So, the real change has been the imports landing in India mainly from Turkey, and that has impacted the pricing because they have landed at unreasonably low prices, and that has tended to pressure the market prices overall.

So, we do think this is a phenomenon which is very specific for this market, and we do think that over a period of time, it will correct itself. If you ask me whether we reached the bottom or not, it is not very clear to me, but we are very close to bottom.

S. Ramesh: If I may squeeze in a last question on UK and Kenya, Kenya margins have really come down sharply. So, is this the margin which we can expect going forward or is there some scope for recovery in the Kenya margins? And similarly in UK?

R. Mukundan: I think in Kenya, the way the current margins which are trending would probably be the normal margins going forward because bulk of their exports is to India and Southeast Asia, and those numbers more or less would tend to be around the same figure going forward.

Moderator: Thank you. Our next question is from the line of Saket Kapoor from Kapoor and Co.

Saket Kapoor: Sir, as earlier alluded by you that UK will be moving to now the per ton profitability structure. So, current numbers for UK can be penciling in, this is now the new normal for the UK numbers or what should be our understanding?

R. Mukundan: Certainly, I would say in bicarb and in salt, these numbers would reflect themselves. In terms of soda ash, while we have tended to maintain constant margin, and that probably will hold true for Q3 of this fiscal year and Q4 of the calendar year, you have to wait for a commentary from us exactly where the margins will settle for the next contract period. We are still in the process of going through the negotiation. So, I am not able to comment whether it will remain stable or move around a little bit up or down, but we will come back to you on that. But bicarb and salt will remain more or less stable.It is really the soda ash one which we need to sort of manage for the new contracting period starting from January to December.

Saket Kapoor: And sir, for the CO_2 program, which we have conducted through with the aid of the UK government, the benefits of the same are now fully accrued and this is going to be pertinent now?

R. Mukundan: Yes, the bicarbonate plant actually completely utilizes the carbon capture unit. In fact, it is really close to net zero kind of a situation for our bicarb production. So, it is a green product, and it is finding very good customer traction.

Saket Kapoor: Sir, as you mentioned rightly, that the contracts will be renewed, the annual contracts in the next month, so the outlook for U.S. also you would be able to share post the Q3 numbers. That would give us an assumption of how the next year is going to shape up. Is that would be a better understanding for U.S. market also since there is lot of volatility currently in the soda ash market, so that will have an impact on our contracts with annual contracts for U.S. also?

R. Mukundan: Correct. I think we will be able to share with you in Q3. I can only tell you that the teams are working hard to close out all contracting, and it is moving in the right direction.

Saket Kapoor: Sir, last point was on the global conference on soda ash that happened in the month of October. If you could enlighten us with what's the global scenario shaping up currently? And what's the feedback in terms of the demand outlook globally? If you could give some more color on the same and then I will join the queue, sir.

R. Mukundan: I think one big theme from all customers in that conference was the focus on sustainability. All customers are looking to the Carbon Reduction Program. For the big ones, the global ones, that's one of the key themes running. The chemical companies which are able to demonstrate a move towards a lower carbon footprint would continue to benefit with greater customer traction. To that extent, our units in U.S., which has a lower carbon footprint as well as the one in UK will benefit. Kenya is also very low carbon footprint. It is in India, we need to address on what we have committed, which is 30% reduction. That's one broad trend right across.

The second trend is there is a continued belief and bullishness about the applications like solar and lithium carbonate. They are going to continue to be the drivers of growth. The other traditional sectors, we will have to wait for the macroeconomics to correct, how the real estate market behaves and how the automotive sector behaves, which will drive the flat glass.

In terms of container glass, it has been a bit of a surprise for all of us that the market demand has softened. Traditionally, this segment has held up. So, we will have to wait and watch what has led to this, especially in terms of both wine and beer consumption usually should hold up. But there has been a reduction in the container glass demand, and we don't have clarity on what way it will trend. We will have to watch very closely. These are the broad lessons to learn from the Soda Ash Conference.

Certainly, I think in terms of supply side, all the companies are focused on improving their core offering to customers by reducing carbon, and most companies are also focused on making sure that their cost competitiveness continues to improve more and that is what they are focused on.

Saket Kapoor: Last two questions from my side sir. For the finance cost, so we see that on a consolidated basis, our finance costs have gone up by Rs.100 crore, whereas you have also alluded to the fact that we have reduced our debt on the U.S. unit by $100 million. So, what's the debt on the U.S. counterpart currently? And why has the finance cost gone up?

R. Mukundan: Actually, the borrowing cost is almost the interest rates have increased dramatically. They have more than doubled. Nandu, you want to clarify?

N. Tirumalai: We have loans in UK, Singapore and U.S. UK and Singapore debts got refinanced about a year back in December last year. So, those came at much higher rates than what we took earlier. Last year's Q2 had an earlier rate taken a long time back at 1% LIBOR fixed. Therefore, this rate difference of 5% on the loans in Singapore and UK is the reason for increase in interest rate. Otherwise, we are repaying debt, and therefore that is resulting in a lower increase over last year. Broadly, it is refinancing done in UK and Singapore last year in December, and December rates were very high.

Saket Kapoor: Sir, what is the debt on U.S. currently after the repayment?

N. Tirumalai: In terms of the debt in U.S. it is $258 million in U.S. Overall, $728 million is the overall debt on the whole, $ 258 million in U.S., £ 150 millionis in UK and $182 million is in Singapore. Broadly, that's the breakup.

Saket Kapoor: And sir, next point would be on sodium bicarbonate use for float glass treatment. What kind of incremental demand are we anticipating with the implementation of float glass treatment at the power plant, I think? So, Tata Power is also contemplating lot of initiative on this basis. So, how is this going to shape up and the outlook on the same?

R. Mukundan: It's a growing sector, and we are very much focused on that sector too. Zarir, you want to add.

Zarir Langrana: Yes, you are right. Certainly, in India, we have seen over the last 12 months increased demand from this sector, primarily from one of the pan-India player. Tata Power is also looking at it. Our estimate is that it will continue to grow at about 10%-12% per annum but in a phased manner as each utility takes up each of the plants separately. So, it's certainly moved from a pilot phase to a commercial phase as far as the utilities are concerned.

Moderator: Thank you, our next question is from the line of Mithil Bhuva from UnlistedIndia.com.

Mithil Bhuva: My first question is for the additional capacity that's going to come on stream, do we have contracts ready for it, like, to take away for the new stream?

R. Mukundan: The first additional stream which is going to come is the salt capacities and it is more or less fully booked with our contract with Tata Consumer. And on the soda ash about 250,000 ton addition is coming on steam which we are very confident that Indian market with its growth would take that.

The additional capacities we are bringing are in Magadi about 200,000 tons and in U.S. about 400,000 tons, those we are very confident because of the cost competitiveness of both these sites, but they are about 2-2.5 years away, and in the current year, the capacity which is coming is only in India.

Mithil Bhuva: Sir, my second question is on the growth front, like what is Tata Chemicals planning to have to be on a very high growth front, like our sister companies, Tata Power, and Tata Motors? So, if you see in soda ash and salt, the capacity expansion also is very moderate. So, what is Tata Chemicals planning to, grow aggressively?

R. Mukundan: So, in terms of the organic growth, our plans are exactly what I mentioned, that we will be bringing about 30% more capacity in our Silica unit i.e., 3,000 tons, and it will further go through doubling of capacity in phase two for which we should start the process of construction in about a month's time after getting consent to establish from the Tamil Nadu government.

As far as the soda ash is concerned, it will go to 1 million ton in India, and salt will go to 1.5 million tons. Beyond that, the next phase, it takes the salt capacity to 1.8 million tons, and the soda ash capacity to 1.3 million ton in India. That is about 2.5 years away. And in U.S. about 400,000 tons additional and in Kenya about 200,000 tons additional. Those capacities will also be around 2.5 years to 3 years away. So, we will be adding capacities in a phased manner, and they have to go through execution phase, and that's the way the business is.

Mithil Bhuva: Anything on the inorganic side? Because these numbers look very small actually in the overall context of things. That's why.

R. Mukundan: We continue to look for opportunities. If anything fructifies, we will come back to you. The sector has interesting opportunities, and we are on the lookout.

Moderator: Thank you, our next question is from the line of S. Ramesh Nirmal Bang Equities.

S. Ramesh: So, if you have to look at the current consumption, what is the current consumption in million tons? And what is the kind of growth you are expecting consumption of soda ash over the, say, next one to two years? And what is the visible capacity addition you expect in the next one to two years other than the Inner Mongolia capacity?

Zarir Langrana: Over one to two years other than Inner Mongolia, we aren't seeing anything substantial on the horizon. Anything substantial that's been talked about has been talked about in the 2027, 2028 timeframe. So, capacity wise, we don't see too much coming up other than some usual debottlenecks. On the demand side, historic global demand growth rates have been in the region of 2.5%- 3%. Today, it's softer, and if the traditional sectors go back to the original growth rate, we should see those kinds of numbers appearing once again.

S. Ramesh: No, if you look at the glass, like Asahi Glass reported very weak number. So, is there a challenge? While you said that the demand is okay, is there a kind of a softening of the trend in terms of Indian glass sector? How is the demand trend in India?

Zarir Langrana: So, Indian glass sector I think the demand trend is good.

R. Mukundan: So, Ramesh, I don't know whether you have heard what Zarir mentioned that in glass, volume growth is continuing. There is no issue on that. It's mainly the pricing pressure, and pricing pressure is mainly coming from glass imports from China and from Malaysia. And you know, with Malaysia, India has a Free Trade Agreement, and that does create issues for glass players from time to time.

S. Ramesh: And lastly, can you give us the CAPEX for FY '25, ‘26 and '27 since you have lined up all the expansion?

R. Mukundan: On the capex, just to address the question, which was there, beyond the current cycle where what we mentioned the expansion of salt from 1.5 to 1.8, broadly, we expect that number is to about Rs.400 odd crore. The soda number in India from 1 to 1.3 is about Rs.1,000 odd crore, and the Kenya and U.S. put together, which is broadly our 0.6 expansion million tons will be about broadly $200 million. All put together would be about Rs.3,000 odd crore spread over next 3 years for the expansion beyond the current cycle.

Moderator: Thank you, our next question is from the line of Rohit Nagraj from Centrum Broking.

Rohit Nagraj: Sir, first question is on Turkey. So, what is the differential in terms of the imports from Turkey and the local prices? And an allied question to that, given that China demand is relatively lower, so are there any exports happening from China?

Zarir Langrana: So, let me take your second question first. China was exporting till about four months ago. The market then suddenly tightened domestically, and Chinese exports came down. At the moment, it is not back to the historical levels, but as Inner Mongolia production starts appearing into the market, primarily into the domestic market to start with, you might see exports increasing out of China, but we have to see how that plays out.

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The second question, the differential between domestic pricing and Turkey's import pricing would, varies from market to market and customer to customer. Domestic pricing is at a premium to import pricing, and we believe that differential will continue to stay.

Rohit Nagraj: And any specific reasons for high imports coming from Turkey? I mean, are the prices in terms of the energy costs et cetera have come down dramatically or there is constraint from the economy side, and they are just pushing the volume? So, any thoughts on this?

Zarir Langrana: We do not think energy costs have come down. In fact, energy costs may have gone up. The large impact may be due to the fact that some of the core markets in Europe, especially Southern Europe, have seen a decline in demand, and they are finding new home for their product now.

Rohit Nagraj: And just second question on the U.S. pricing front. So, in your opening remarks, you alluded that on a Q-o-Q basis, the prices have gone down by about $50 - $60. So, will these prices prevail when it comes to the renewal of contracts in the month of January?

Zarir Langrana: I think the market is still fairly volatile and in a state of flux. And as Mukund mentioned, we probably get a better idea when we talk again in Q3 as to where the prices might settle. But as he also mentioned, I think the team is today focused on making sure that, all of the contracting is closed as soon as possible.

Rohit Nagraj: And if I can squeeze in one last one, in terms of all the different geographies, which are the segments which are doing well and which are the segments which are lagging behind?

Zarir Langrana: Across the board, sustainability driven segments like lithium, solar glass are doing well and are continuing to grow, in fact, growing in double digits. Within the more traditional segments, the one that's been impacted is certainly float glass, primarily due to slow housing and residential sectors and construction activity in most of the geographies. And as Mukund mentioned, there has been some recent softening in container glass demand, but that we believe might bounce back perhaps faster than what we will see in the float glass segment.

Moderator: Thank you, our next question is from the line of Saket Kapoor from Kapoor and Co.

Saket Kapoor: Sir, when as you mentioned that our contracts, we are working with the contract for the next year for both UK and the U.S. market, so taking into account the current average prices which are prevailing, the spot prices and our contracted value for last year, what's the current differential between the two? And what can we read from this data?

R. Mukundan: In terms of the data as Zarir has explained, the domestic contracting in U.S. and UK is more or less stable. That is what our conditions tell us. In terms of exports, there is a bit of volatility which Zarir has explained, and the volatility is fairly more acute in Southeast Asia than in South America. And on that, the contracts are still getting closed, and we do know that some of the low-end prices we have seen may not prevail in the market for these contracts, but where they will settle, we will be in a better position to highlight to all of you in the next quarter when we come back for the results.

Saket Kapoor: In Indian operations, we are seeing there is this decline in margins, and we are trending lower. So, is this attributed mainly to due to this unabating imports and the lower realization only, or why are the margins trending lower for Indian operations now?

R. Mukundan: The main issue in India is not demand. The main issue is the high level of imports of low-priced material, which hopefully will reduce going forward. We have seen a major increase in Imports, and as I said, the share of imports has jumped from 14% to 28% over the last four quarters, and that too happening at a fairly very low price, and that has depressed the local market conditions. And we will have to wait and watch whether this will continue.

Saket Kapoor: And sir, do you have the import data for the month of October? This trend continued for the previous month also.

R. Mukundan: No, October month has reduced. Actually, it has come down by more than half, but we need to watch the trend going forward, whether this trend will continue or not. It seems to be trending down, and if for a couple of more months the same trend continues, then we can say the pressure would have eased up. It probably is closer to 14% as we speak in October.

Saket Kapoor: And on the realization front, sir, how are the price trends currently month-on-month for the spot market?

R. Mukundan: The spot market is continuing at the same level. If there is any change, you will hear that through the circulars we send out to our customers.

Saket Kapoor: And lastly on the solar demand part, sir, you were alluding to some facts about the demand from solar and lithium. So, taking into account solar manufacturing, the pipeline, the investment pipeline in the solar segment, what is the anticipated demand, especially from solar for domestically and also globally, if you could give some color on the same?

R. Mukundan: While the segment is still small in India, it has seen 60% growth, and there are more investments lined up. As they come, they will need the soda ash, and we expect at least half a million ton of additional demand coming from that segment over a period of time, but these are early days. As of now, this within India is one of the fastest growing sectors.

Saket Kapoor: And your outlook on our silica and another segment currently? And how would that segment shape up for the next half?

R. Mukundan: We are very confident about silica. We are fully booked. We are expanding as the market needs more. So, we will be expanding bringing on 3,000 ton additional quickly, through simple debottlenecking. The next phase of additional doubling the capacity will take 18 months, and we are doing everything we can to speed that up because market demand is good.

Moderator: Thank you. Ladies and gentlemen, that was the last question of our question-and-answer session. I now hand the conference over to the management for closing comments.

R. Mukundan: Thank you, everyone. As we mentioned that the market conditions, while they look challenging at the beginning of the quarter, there are some positive signals, but it is too early to comment about it, and we do expect the medium-term outlook for the soda ash business to be stable. Our businesses in salt and bicarb are continuing to trend up. The new business in silica is shaping up well, and also Rallis' performance is back in the positive direction.

With this, we remain positive about the strategic direction we set ourselves, which is to focus on core and ensure that we have capital-efficient expansions going ahead and continue to grow the business along with the market growth.

With this, I want to thank all of you, and wish you all a very happy Deepavali, and see you next quarter.