Management Discussion and Analysis

1. Business Environment

a. Global Economic Outlook

Global economic growth is anticipated to range between 2.7% and 3.3% in 2025, according to various credible sources. While the growth rate is expected to stabilise at 3.3% in 2026, these projections remain below the historical average of 3.7% observed between 2000 and 2019.

Global inflation is expected to moderate, driven by decreases in fuel and commodity prices, as well as reduced inflation rates in advanced economies.

Global headline inflation is projected to decrease to 4.2% in 2025 and 3.5% in 2026, with advanced economies reaching ahead of emerging markets and developing economies (EMDEs).

Further, energy commodity prices are predicted to fall by 2.6% in 2025, primarily due to subdued oil demand from China and strong supply from non-OPEC+ countries. Gas prices are likely to increase, influenced by adverse weather conditions and supply disruptions stemming from ongoing conflicts in the Middle East.

Major central banks' monetary policy rates are expected to continue their downward trajectory, albeit at varying rates. Additionally, a tightening of fiscal policy is expected during 2025–2026, especially in advanced economies such as the United States.

Global trade is expected to remain slow, and could possibly worsen if reciprocal tariffs are implemented.

According to the International Monetary Fund (IMF), global trade volume is projected to grow at a slower pace, with an estimated growth of 3.2% in 2025 and 3.3% in 2026. This estimation falls short of the historical average of 4.9%. The slowdown is primarily due to a significant increase in trade policy uncertainty, which is likely to affect investments in trade-intensive companies. However, the negative impact of this heightened uncertainty is expected to be transient. Additionally, some trade activities may experience a short-term acceleration in response to the uncertainty and the anticipation of stricter trade regulations, providing a temporary offset to the overall slowdown.

Performance of Major Economies

India: India is expected to maintain a growth rate of 6.5% in FY 2025. Despite a slowdown in investment and a weak manufacturing industry, the services and agriculture sector has demonstrated steady growth. Additionally, private consumption, driven by improved rural incomes and better agricultural output, contrasts with the dampening effect of elevated inflation and slower credit expansion on urban consumption.

United States: The U.S. economy is approaching a soft landing, with growth rate projected to reach 2.7% in 2025 and 2.1% in 2026. Inflation is expected to decline, allowing the Federal Reserve to ease monetary policy. Additionally, robust consumer spending and productivity gains will continue to drive growth.

United Kingdom: The UK economy is projected to grow by 1.6% in 2025 and 1.5% in 2026. Unemployment is expected to remain stable, and the government will focus on fiscal sustainability and targeted investments.

Euro Area: The Euro area struggled with low consumption, subdued investment and low industrial activities. Further, uncertainities hampered the growth trajectory, particularly causing disruptions in policy and politics. Nevertheless, growth is expected to improve to about 1% in 2025 and 1.4% in 2026, driven by lower interest rates and increased global trade. Additionally, the services sector is anticipated to support growth as consumer spending rises with recovering real incomes.

China: China's growth is projected to decline to 4.6% in 2025 and 4.5% in 2026, reflecting weak consumer confidence, a sluggish labour market and persistent challenges in the real estate sector. While the People's Bank of China has implemented measures to support the economy, their impact has been constrained due to low market sentiment and subdued credit demand. On the other hand, export growth is projected to remain moderate, while domestic demand remains weak. Rising debt and a declining population pose further risks, compounded by turbulent trade relations with the U.S.

b. India Economic Outlook

While India's economy is projected to expand between 6.3% and 6.8% in FY26, it will face significant challenges, including geopolitical and trade uncertainties as well as potential commodity price shocks.

a. Key Domestic Growth Drivers:

- Sustained growth in private capital goods sector order books, driving increased investment.
- Improved consumer confidence and corporate wage growth.
- A resurgence in rural demand, supported by a rebound in agricultural production, easing food inflation and a stable macroeconomic environment.

b. In the Union Budget for FY2024-25 the Indian government has allocated ₹ 11.21 lakh crore for capital expenditure, maintaining the previous year's level. This allocation represents approximately 22% of the total government spending of ₹ 50.65 lakh crore.

c. The Consumer Price Index (CPI) moderated from 5.4% in FY24 to 4.9% in FY25 (between April and December). However, inflation remains above the RBI's target due to elevated food prices, particularly for vegetables and pulses.

d. The fiscal deficit is estimated to be 4.8% of GDP in FY25, a notable decrease from 5.6% in FY24. It is expected to drop further to 4.4% in FY26.

The RBI has reduced the interest rate by 25 basis points, marking the first cut in two years, bringing it to 6.25%. Additionally, the RBI has announced a ₹1.5 trillion liquidity infusion through government securities purchases, variable rate repo auctions and dollar-rupee swaps.

India's total exports (April-December 2024) are at US$ 602.6 billion, indicating a growth of 6.03%. Meanwhile, total imports for the same period are estimated at US$ 682.1 billion, reflecting a growth of 6.91%.

a. From April to December 2024, India's merchandise exports amounted to US$ 321.7 billion, a marginal increase from US$ 316.6 billion during the same period of 2023. Merchandise imports, however, reached US$ 532.4 billion, compared to US$ 506.4 billion in April-December 2023. Consequently, the merchandise trade deficit widened to US$ 210.7 billion for April-December 2024, reflecting an increase from US$ 189.7 billion deficit recorded in the same period of the previous fiscal year.

   Exports of organic and inorganic chemicals for April-December 2024 were valued at US$ 21.2 billion, up from US$ 20.2 billion during April-December 2023. On the other hand, imports of these chemicals for the same period were US$ 21.5 billion, compared to US$ 20.7 billion in 2023.

b. The estimated value of service exports during April-December 2024 is US$ 280.9 billion, up from US$ 251.7 billion in April-December 2023. Service imports for the same period are estimated at US$ 149.6 billion, compared to US$ 131.6 billion in April-December 2023. This resulted in a services trade surplus of US$ 131.3 billion for April-December 2024, compared to US$ 120 billion in the same period of 2023.

c. India's overall trade deficit for April-December 2024 is estimated at US$ 79.5 billion, an increase of 14.10% from the US$ 69.6 billion deficit during the same period previous financial year.

The allocation for the PLI schemes saw a significant surge in FY26, rising by over 108% to ₹ 19,482 crore in the budget estimates. This represents a substantial increase from ₹ 9,360 crore allocated in the revised estimates in FY 2025. This significant increase underscores the government's strong commitment to bolstering domestic manufacturing across key sectors, with particular notable allocations for textiles, battery cell and storage technology and automobiles.

2. Chemical Industry

a. Global Chemical Industry

Globally, 2025 can witness steady growth in chemical production, with worldwide volumes expected to rise by 3.1%. This follows a growth of 3.5% in 2024 and just 1% in 2023. The most significant increases are anticipated in the Asia-Pacific region, CIS[1], Africa and the Middle East.

Global chemical demand expansion continues (% Y/Y change in volume)[2]

Region	2025	2024	2023
North America	2.0	0.2	-0.5
Latin America	1.0	-0.8	-0.5
Europe	1.4	1.9	-8.1
CIS	2.8	3.4	5.3
Africa & Middle East	4.2	2.4	3.6
Asia/Pacific	3.7	4.8	4.3
Total world	3.1	3.5	1.0

This projected gain would follow two years of weakness in chemical volumes, primarily due to persistent softness in industrial demand. A recovery in industrial activity, including improved construction, is expected. US current and potential tariffs on China, Mexico and Canada are anticipated to stimulate domestic production, however, it also poses potential threats to US chemical exports.

Although chemical production is improving and margins are returning to average levels, the industry still continues to face challenges. Over the upcoming years, companies will need to navigate evolving macroeconomic conditions, shifts in policy and regulations across regions, changing customer preferences and technological advancements. To strengthen their positions, businesses must adopt strategic initiatives, including cost-efficient measures, a focus on high growth end markets, performance-led innovation, strong supply chains and decarbonisation.

Source: Chemical Processing, American Chemistry Council, C&EN Analysis by leading chemical companies, Expert Market Research

[1]Common wealth of Independent states
[2] As per S&P Report

b. Indian Chemical Industry

India ranks as the sixth largest producer of chemicals globally and third in Asia, contributing 7% to India's GDP and 14% to the overall Index of Industrial Production (IIP). India holds a strong position in global chemicals trade, ranking 14th in exports and 8th in imports (excluding pharmaceuticals).

The Indian chemical industry, valued at ~US$ 250 billion, is expected to grow by approximately 8 – 10% in FY26. The cumulative FDI equity inflow in the chemical industry reached US$ 22.87 billion from April 2000 to September 2024. Indian companies are attracting investments from Japan, Korea and Thailand, who are seeking to diversify supply chains.

India's chemical imports declined from US$ 102 billion in FY23 to US$89 Bn in FY24 and are expected to stabilize at US$ 91 billion in FY25. Meanwhile, chemical exports remained steady at US$ 51 billion in both FY23 and FY24 and are projected to maintain the same level in FY25.

India is fourth largest producer of agrochemicals globally. It has emerged as the second largest exporter of agrochemicals in terms of volume, a significant improvement from its sixth position, a decade ago. In FY24, agrochemical exports from India declined to US$ 4.2 billion, down from US$ 5.4 billion FY23, primarily due to decline in prices. The US and Brazil are the largest buyers of India-made agrochemicals, followed by Japan and Belgium. India is rapidly emerging as major global manufacturing hub for agrochemicals, driven by low manufacturing cost, low labour cost, a technically skilled workforce and high production capacity.

The Union Budget 2024 prioritises key trends, including the adoption of the EV ecosystem, the expansion of renewable power installations, promotion of chemical manufacturing, better green chemical production and decarbonization. These strategic goals are supported by aligned tax reforms, PLI initiatives and improved government expenditure.

Source: Ministry of commerce, Indian ministry of chemicals and petrochemicals, News articles, Expert Market Research

3. Company Overview

Tata Chemicals Limited ("the Company" or "Tata Chemicals"), part of the Tata Group specializes in sustainable chemistry solutions. The Company operates primarily through two divisions: Basic Chemistry, which includes alkali chemicals such as Soda Ash, Sodium Bicarbonate, Salt, and other inorganic chemicals; and Specialty Products, which encompass Agrochemicals and Seeds, Silica, and Prebiotics. Tata Chemicals' varied product range provides essential components to numerous leading global brands across multiple industries, including glass, detergents, pharmaceuticals, food, animal feed, and more. It holds notable market positions in Soda Ash and Sodium Bicarbonate, with manufacturing facilities located in India, the United States, the United Kingdom, and Kenya.

The specialty products division includes Highly Dispersible Silica (HDS) and Prebiotics. HDS, developed through patented technology, is targeted primarily for tyre applications. The company holds a leadership position in the domestic prebiotics market and has established a robust fermentation platform, offering significant future growth prospects. Its flagship product, fructo-oligosaccharide, is a prebiotic dietary fiber that supports the growth of gut microbiome and enhances digestive and immune health.

Rallis India Limited (Rallis), a publicly listed and leading agri-sciences firm, offers a comprehensive crop care solutions portfolio, including active ingredients and formulations for crop protection, crop nutrition, seeds, and biopesticides. With a strong distribution network comprising over 7,200 dealers and 100,000 retailers, Rallis reaches a vast number of Indian farmers, covering 80% of the country's districts and exporting to more than 60 countries. As a prominent global manufacturer of active ingredients such as Acephate, Hexaconazole, Pendimethalin, and Metribuzin, Rallis is poised to drive growth, through new products and broadening customer base.

The Company's operations are underpinned by the principles of safety, sustainability, operational excellence, customer focus, innovation, and digitalisation. The Company is committed to reducing its carbon footprint with a focus on achieving net neutrality. Its Carbon Capture and Utilisation (CCU) plant in the UK is operating successfully, and the company has commissioned pharmaceutical-grade salt this year. The CCU plant captures CO_2 emitted by the gas-powered energy system and utilizes it as a feedstock to produce high-purity sodium bicarbonate for the pharmaceutical and food industries.

The Company supports communities with development models that are sustainable and scalable. It also promotes biodiversity in a significant way through plantation, ecosystem creation, species conservation, as well as water and resource conservation around its plants. The Company is focussed on initiatives like livelihood creation, capacity building, rural entrepreneurship development, market linkages, and enriching lifestyle through quality products and services. These initiatives are woven around core intervention areas that include empowerment of rural women, youth, farmers, providing safe drinking water, animal care and clean energy.

Innovation at Tata Chemicals is focussed on delivering value to the customers by integrating chemistry with other sciences. At present, the Company has three centres for innovation located in Pune and Bengaluru.

Operational excellence is at the heart of the Company's activities and its workforce. The focus remains on reducing costs, resolving customer issues promptly, and maintaining world-class manufacturing standards, fostering a culture of constant improvement.

The Company is also advancing rapidly in digital transformation. By embracing technologies such as IIoT, remote sensing, and automation, it aims to enhance efficiency in manufacturing and processes.

4. Operational Performance

a. Tata Chemicals Overview

Annual Performance Overview –

₹ in crore

	FY2024-25	FY2023-24
Revenue from Operations	14,887	15,421
EBITDA	1,953	2,847
Profit before tax (PBT)	521	830
Profit after tax (PAT)*	354	449

**before non-controlling interest from continuing operations and after exceptional items of ₹ 861 crore in FY24 and ₹ 125 crore in FY25*

b. Basic Chemistry Products

Industry Structure & Developments

With a presence spanning four continents, the Company serves a diverse customer base through its Basic Chemistry Products business (soda ash, salt, sodium bicarbonate, cement and marine chemicals). The Company's robust global supply chain ensures consistent supply and efficient service, all while maintaining competitive pricing.

The Company's soda ash capacity stands at 3.9 million tonnes, with over two-third is derived from natural sources. These natural soda ash deposits are located in the Green River Basin, Wyoming, USA, home to the world's largest deposits of Trona deposits, and at Lake Magadi in Kenya. Natural soda ash offers the advantages of reduced energy and environmental footprint.

On the other hand, synthetic soda ash and sodium bicarbonate are manufactured at facilities in India and UK, primarily serving their respective domestic and export markets. The Company's combined installed capacity for Sodium Bicarbonate is 380 Kilo tonnes, distributed between India and the UK.

I. Soda Ash

Overall, global demand for soda ash increased by 8.3% in 2024, driven by mainland China. However, demand in the rest of the world declined by 0.4%. New production capacities were added in China, the USA and Turkey. Further, the company also increased its production capacity in India, contributing to its overall supply growth. Global operating rates averaged 92% of capacity in 2024, up from 90% in 2023.

Demand for soda ash in China and Latin America continued to be driven by solar glass and lithium carbonate sectors. Overall, the global soda ash market presents a mixed outlook. While growth in mainland China has reached record-high levels, demand expansion in the rest of the world has been minimal. However, the growth trajectory in mainland China is now decelerating, and most soda ash markets remain well-supplied.

India's steady economic growth supported demand expansion across key sectors. The increasing focus on green energy is driving demand for glass in solar panels and lithium carbonate for EV battery applications. Further, in 2024, demand across all end-use sectors demonstrated stability with a slight upward trend. Domestic soda ash demand registered a healthy growth of 5.8% in 2024, with India operating rates averaging 89% of capacity, remained stable compared to 2023. This increasing demand was efficiently met by domestic producers, with imports remaining at similar level as the previous year.

Domestic availability remained normal, with moderate operating rates and no major outages. Indian markets were oversupplied due to the strong influx of imported soda ash. Import soda ash volumes reached more than 10 lakh MT with a steep increase of over 80%. However, domestic producers increased their exports to maintain production rates and market balance.

While Coal prices were less volatile and remained on the lower side, it resulted into lower production costs. However, decline in prices were higher than decline in production costs affecting overall margins.

II. Sodium Bicarbonate

Sodium bicarbonate is a versatile product with applications in food additives, animal feed, pharmaceuticals, dyes, textiles and industrial emission control. The Company believes that its extensive application will yield significant value addition potential in the future.

In India and the UK, the Company has a combined annual capacity of 3,80,000. During FY 2025, there was a robust 9-10% increase in demand for sodium bicarbonate. The growth was primarily driven by Flue Gas Treatment (FGT) segment, growing at a growth rate of 150%. The food and baking sector had seen rise in demand due to growing consumer awareness, while the animal feed segment remained stable but highly price sensitive. On the other hand, in pharma and haemodialysis, a lack of regulatory support and limited awareness continued to hinder premium positioning.

III. Salt

Edible salt, as a crucial food ingredient, encountered no demand challenges in India. The Company sustained a healthy growth rate, supplying to our key customer – Tata Consumer Products Limited. British salt, UK started production facility of 70 KT pharma grade salt.

c. Specialty Products

I. Agrochemicals and Seeds

India's economic outlook for fiscal 2026 and beyond remains positive, with GDP growth projected to hold steady at 6.5% despite global uncertainties. This forecast is based on assumptions of normal monsoons and stable commodity prices. Key drivers of growth include cooling food inflation, tax benefits from the Union Budget 2025, and lower borrowing costs stimulating consumption.

The global food market is poised for significant changes with several key trends shaping the industry. Technological advancements in precision agriculture, data analytics, and vertical farming are driving efficiency and sustainability in food production. There is an increased focus on sustainable and climate-smart farming practices, alongside growing consumer demand for organic, healthy, and traceable food options.

The Union Budget 2025 lays a strong foundation for long-term resilience, with a particular focus on rural empowerment. It announces a mission to achieve self-reliance in pulses, promote cotton productivity, and extend the Kisan Credit Card loan limit to ₹5 lakh. The Prime Minister Dhan Dhanya Krishi Yojana aims to transform 100 agricultural districts. The budget also emphasises sustainability through allocations for solar power and clean energy initiatives. Collectively, these measures are expected to support growth and innovation in the agrochemical and seed industries.

Agrochemicals

India's Agrochemical Industry presents significant opportunities and challenges. As the second-largest exporter after China, India exports agrochemicals worth US$ ~4.3 billion to over 140 countries. However, the global agrochemical market in 2024 reflects the impact of pricing challenges, high inventories amid excess Chinese capacity, combined with unfavourable farm economics, and adverse weather conditions. Domestically, low consumption (0.4 kg/ha vs. global 2.6 kg/ha) offers growth potential, with the market at ₹ 40,000 crore. New AI driven products finding high acceptance. In FY25, the Domestic agrochemicals companies have seen demand recovery as 2024 monsoon was broadly favorable and may post volume growth by +5% but lower prices may impact the growth.

Seeds

Seed is the fundamental input for agriculture and seed technology has potential in addressing agricultural challenges, including climate change. The approximate value of organized domestic seeds market is ₹ 16,000 crore. In FY25, the Indian seed industry is almost flat. This is attributed to the reduction in seed markets of Cotton, Bajra and Mustard. 2024 was the year of seed shortage. The industry continued to grapple with seed production issues stemming from intense competition. Additionally, unseasonal rains further impacted production costs and seed availability. Despite these challenges, emerging seed technologies remain vital for tackling agricultural obstacles and adapting to changing climate conditions, underscoring the importance of innovation in this sector.

II. Specialty Silica

The Company has maintained its leadership position in the Specialty Silica segment, offering an extensive range of conventional and HDS products.

In FY25, Specialty Silica business witnessed several notable developments:

- Market Resilience: Despite strong competition in the conventional silica, the company sustained its strong presence as the overall demand for specialty silica products remained resilient.
- Strategic Investments: The Company continued to invest strategically in its Specialty Silica operations, focusing on enhancing infrastructure, processes and systems to ensure greater efficiency and consistent product quality. The Company consistently achieved 95% capacity utilisation for HDS production at its Cuddalore plant. To further meet increased market demand for HDS, a new 10 TPD production line will be commissioned in 2025-26.
- Market Expansion: The Company expanded its market reach by strengthening its channel partner and distributor network globally, enabling supplies to overseas customers. This initiative enabled the Company to tap into new growth opportunities. Further, successful trials and approvals from major tyre brands in India has strengthened its position in the high performance tyre segment.
- Sustainability Focus: Demand for Rice Husk based Silica (RHS) is growing fast, driven by major tyre brands' plans to replace 10-15% of their current silica requirement for radial tyres and 50-60% for Bias-ply Tyres and Off-The-Road Tyres with sustainable alternatives. Development of RHA based silica aligns with its sustainability objectives, addressing the growing demand for sustainable materials, particularly in the manufacturing of green tyres. Consequently, the Company is well-positioned to emerge as the preferred supplier for major tyre manufacturer.

III. Prebiotics and Formulations

Prebiotics and Formulations business continued its positive trajectory with several key highlights:

- Product Innovation: The Company introduced new product variants, including FOS-based sugar replacer blends and fat replacer blends. These innovative solutions cater to the evolving needs of customers across various industries, strengthening its position as a leading provider of prebiotic ingredients for human and animal nutrition.
- Market Penetration: The Company successfully penetrated the pet nutrition market, securing repeat orders from pet food manufacturers who recognise the value of the product in enhancing animal health. This achievement marks a significant milestone in the expansion of Prebiotics & Formulations business.
- Geography Expansion: The Company has successfully increased its presence in Australia, EU, Thailand and Malaysia. It is now exploring new areas in LATAM, Japan and China.

d. Entity-wise Performance -

Tata Chemicals India (Standalone)

I. Operations

Sales trend of Basic Chemistry Products is as follows:

Basic Chemistry Products

Volume in lakh MT

Products	FY 2024-25	FY 2023-24
Soda Ash	7.2	6.4
Sodium Bicarbonate	1.5	1.2
Salt	13.5	13.4

Soda Ash realisations were lower during 2024-25 as compared to 2023-24. While there is an increase in sales volume, the prices dropped. Increased global supply levels led to drop in pricing.

On the manufacturing side, Iodised salt production was higher in 2024-25 as compared to the previous year. Along with this, the realization also showed a marginal increase.

With favourable demand for sodium bicarbonate, Company achieved higher volumes during 2024-25 as compared to 2023-24. At the same time, the realisations were lower during the year

'Chem Connect', the Company's online customer portal and mobile app, remained at the forefront with user-friendly dashboards for ease of customer support, engagement and navigation. Customer engagement activities such as senior leader connect, annual reward and recognition events for channel partners, Club 15K meets, knowledge-sharing sessions, 'Web pe Charcha', were the hallmarks of staying connected with the customers and partners.

Sales trend of Specialty products is as follows:

Specialty Products

Volume in MT

Products	FY 2024-25	FY 2023-24
Silica	7,554	8,105
FOS	2,922	2,330

Tyre demand increased during FY 2024-25. Tyre labelling norms will continue to drive HDS demand.

While the realisation for Silica was marginally lower as compared to 2023-24, the margins were higher in the current year due to lower input material costs.

The Company stabilised its operations at its state-of-the-art greenfield facility in Mambattu, Andhra Pradesh. Food safety certifications (FSSAI, FSSC 22000, FAMI QS, Halal, Kosher), strong scientific backing, regulatory support, together with ongoing application development have enabled the Company to serve customers across the globe.

II. Financials (continuing operations)

₹ in crore

TCL India	FY2024-25	FY2023-24
Revenue from Operations	4,441	4384
EBITDA	818	875
Profit before tax (PBT)	624	1016
Profit after tax (PAT)	524	896

Subsidiaries

a. Basic Chemistry Products

Tata Chemicals North America Inc., USA ('TCNA')

I. Operations

Sales trend is as follows :

Volume in lakh MT

	FY2024-25	FY2023-24
Soda Ash	23.6	22.3

In 2024-25, the sales of Soda ash increased by 6% over the previous year, contributed by the increase in domestic market. At the same time, the realisations were lower both in the domestic as well as exports market

The decrease in revenue in 2024-25 over the previous year was driven by decrease in price, inspite of higher sales volume.

II. Financials

₹ in crore

TCNA	FY2024-25	FY2023-24
Revenue from Operations	5,261	5,377
EBITDA	648	1,087
Profit before tax (PBT)	31	545
PAT	61	457

The revenue decrease is mainly driven by a decrease in prices.

Tata Chemicals Europe Group Limited, UK ('TCE Group')

I. Operations

Sales trend is as follows :

Volume in lakh MT

	FY2024-25	FY2023-24
Soda Ash	1.7	2.1

Volume in lakh MT

	FY2024-25	FY2023-24
Sodium Bicarbonate	0.8	0.9

Volume in lakh MT

	FY2024-25	FY2023-24
Salt	2.9	3.1

During 2024-25, the salt sales volume was lower by 5% as compared to 2023-24. Revenue was lower by 17% over 2023-24, due to both lower sales volume and realisations of Soda ash, Bicarbonate & Salt. The Lostock Soda ash facility was closed in Q4 FY25.

II. Financials

₹ in crore

TCE	FY2024-25	FY2023-24
Revenue from Operations	2,007	2,404
EBITDA	25	347
PBT	(423)	(934)
PAT	(423)	(992)

Tata Chemicals Magadi Limited, Kenya ('TCML')

I. Operations

Sales trend is as follows :

Volume in lakh MT

	FY2024-25	FY2023-24
Soda Ash	2.8	2.4

Soda ash is the key product in the TCML portfolio, mainly servicing the container glass and silicate sectors in the East African market, and export markets in SEA and the Indian subcontinent.

II. Financials

₹ in crore

TCML	FY2024-25	FY2023-24
Revenue from operations	612	640
EBITDA	142	211
PBT	149	201
PAT	118	134

Inspite of a higher sales volume of Soda ash by ~ 15%, there is a decrease in revenue by 4% over the previous year. This is due to lower realisation of Soda ash in line with global price trend. PAT was lower by ₹16 crore (~ 12%)

b. Specialty Products

Rallis India Ltd.

I. Operations - Revenue

₹ in crore

	FY2024-25	FY2023-24
Crop Care	2,245	2,232
Seeds	418	416

Note: Excluding inter-company transactions

II. Financials

₹ in crore

Rallis	FY2024-25	FY2023-24
Revenue from Operations	2,663	2,648
EBITDA	288	312
PBT	187	196
PAT	125	148

Note: The figures are as per TCL's consolidated books

The revenue grew 1% compared to the previous year on account of growth in Crop Care. Growth in Crop Care business was positive though margins were under pressure due to steep cost volatility. Growth of Seeds business has been marginal. Optimising the fixed costs and net working capital are key priorities going forward.

5. Business Outlook

The year under review witnessed significant price reductions despite robust demand. However, in FY26, the Company anticipates stable global demand for Soda Ash in Asia but a slight decline in the US and Western Europe due to reduced glass demand. The core portfolio, led by Soda Ash, is set to grow through its use in applications, such as solar glass (9% CAGR) and lithium carbonate (7% CAGR), over the next five years. Prices are expected to remain stable due to addition of new capacities in the US, Turkey and China. Approximately 6 Mn MTPA of capacity were added in CY24, with an additional 2.6 million TPA anticipated to be added by CY25. Further, China is observing a slight decline of demand in 2025 due to decrease in its flat glass and solar glass demand by ~5%, which comprises of ~40% of its total demand.

Global trade is expected to slow, with potential reciprocal tariffs. The IMF projects trade volume growth at 3.2% in 2025 and 3.3% in 2026, which is below the historical average of 4.9%. While increased trade policy uncertainty may impact trade, some activities could accelerate in response. Reciprocal US tariffs could disrupt trade, raise import costs and strain diplomatic ties, prompting companies to reconsider sourcing and production strategies.

The outlook for India's specialty portfolio, including agrochemicals, appears to be positive. The Company's specialty silica segment is recording increased demand due to the green labelling of tyres. Growth in the food and beverages, feed and pharma sectors is expected to drive the nutrition portfolio. Additionally, the domestic market offers significant growth opportunities for Rallis' agrochemicals business, maintaining stable growth.

The Company is focused on achieving sustainable growth by broadening its core and specialty portfolios, strengthening its market position and enhancing financial stability. With the introduction of value-added products, the Company aims to drive operational excellence and integrate sustainability in our operations.

India's soda ash demand is expected to grow at ~5.6% CAGR in 2025, driven by the addition in solar glass capacities of ~580 KTPA in 2025 (which is 41% increase from 2024).While India continues to experience robust demand in the Soda Ash, the prolonged high volumes of imports with low prices necessitate an increased focus on cost optimisation, capacity utilisation and driving cost and improving operational efficiencies. The ongoing expansion of Soda Ash and Bicarbonate capacities at Mithapur are expected to further diversify the Company's product portfolio.

The Company aims to expand its customer base in the food, feed and pharmaceutical sectors through high grade sodium bicarbonate and salt sales. This aligns with the Company's strategy to offer a comprehensive product portfolio, including prebiotics. The Company has recorded an increase in prebiotic sales by 43% across these sectors in the reporting year, improving the capacity utilisation of the prebiotics plant.

The demand for specialty silica for tyre applications in India is experiencing significant growth. In particular, the need for HDS for tyres is increasing as it aligns with customers' sustainability objectives, enhancing fuel efficiency and reducing carbon emissions.

The US Soda ash market is observing stable growth, with upcoming solar glass production facilities. With a combined production capacity of approximately 9.5 million metric tonnes per year, WE Soda and Genesis have emerged as the largest global producer of soda ash. This consolidation strengthens their market position.

Post closure of the Soda ash operations in UK, TCL is focused on value added products of Bicarb and Salt, primarily focusing on the UK and European markets. The demand for the Company's other core products in the UK is anticipated to remain stable. Moving forward, the company aims to expand its value-added portfolio to enhance resilience and sustainability. On the other hand, growth in sodium bicarbonate and salt is being driven by consistent strategic investment in high-grade pharmaceutical applications. With the commissioning of a new pharma grade salt facility with a capacity of 70 KT in FY25, the Company aims to deliver enhanced value to its consumers.

Through its Kenya Operations, the Company will focus on establishing a strong footprint in the domestic East African market, maximising overall price realisation through a strategic market mix. Additionally, ensuring capacity utilisation, smooth capacity expansion and optimising costs will continue to be key focus areas.

Rallis aims to grow both exports and domestic sales through new products and broadening customer base. The company is expanding its product range via co-marketing and in-house R&D.

6. Risks and Opportunities

The Company has well established approach and framework for identifying, measuring, prioritizing and mitigating business risks and opportunities across geographies and segments. A detailed description of key risks and opportunities their potential impact and mitigation actions is covered in "Risks and Opportunities" chapter on Page 34. Having manufacturing operations spread across four continents and businesses in ~90 countries, the Company has exposure to varied risks including global geopolitical unrest, cyclicality of demand, ongoing trade tariff conflicts, energy price fluctuations etc. While some of these risks are relevant across all geographies, we also identify and assess geography specific risks and opportunities.

India Operations

Our manufacturing operations in India are energy-intensive having considerable emissions (air, water and solid waste) footprint. Tightening of environmental regulations poses high compliance risk and potential increase in costs structure. We effectively use renewable energy and innovative ways to reduce, reuse and recycle of materials and waste to minimize emissions. Our Mithapur site uses 100% solid waste generated to produce Cement thus having zero waste to landfill and an opportunity of generating incremental revenues from the waste. Manufacturing unit at Mambattu uses rice husk as fuel to control emissions due to burning of non-renewable fossil fuels. Increasing raw material and energy prices pose a significant financial risk. However, proactive projects focused on reducing specific consumption and strategic sourcing initiatives create opportunities for enhanced operational efficiency and cost competitiveness. These measures not only mitigate price volatility but also foster a culture of resource optimization. Climate Change including extreme weather events pose significant risk to people and assets. Extreme rainfall has direct impact on company's solar salt operations and agrochemical business. Likewise, Company's mining operations in Wyoming is exposed to severe snowfall in harsh winter season. The Company has partnered with Central Salt and Marine Chemicals Research Institute (CSMCRI) for salt works resilience. To mitigate risk arising from rising sea level the Company cultivated 250 acres of mangrove, built a 25-acre green wall in Padli ponds, Mithapur and raised bund heights in salt works, with future actions including 100 acres of additional mangrove plantation, further bund strengthening, and enhanced drainage. To address the flash flood risk at Mithapur, a comprehensive drainage expansion plan has been executed, including new stormwater drains, pumping stations, and expanded culverts under railways and highways at Charakla, with further improvements planned at Mithapur. Talent management risks, particularly high attrition among younger employees, can disrupt operational continuity. The Company has implemented robust talent development programs, fostering a positive work environment, and addressing employee concerns. The risk of ageing technology and infrastructure can lead to operational inefficiencies and safety hazards. We have undertaken a large-scale automation and digitalization initiative, accelerated structural rehabilitation projects and enhanced life of structures to enhance operational efficiency, safety, and long-term competitiveness.

The Company's Soda Ash business in India has high exposure to the dynamics of global demand and supply, particularly from China. With current sluggish demand in China coupled with newly added capacities, India may experience increased exports from China resulting in stressed price. The Company has implemented a series of cost and productivity optimization measures to improve its cost competitiveness against cheaper imports.

While Sodium Bicarbonate is relatively less cyclical in nature, the Company is investing in expanding the market in India focused on increasing penetration in FGT, Animal Feed and pharmaceutical applications. For edible Salt, Tata Consumer Products Limited (TCPL) continues to be a single customer. Production loss during monsoons due to brine dilution led to increase in cost of production. With shifting climate conditions in Mithapur, this remains a risk in the coming years. Enhancing production capacity of Salt, joint development projects with TCPL to reduce costs, working with TCPL on logistics options like coastal shipping to optimise movements are some of the opportunities in this area.

The lengthy approval process for Silica for automotive tyre application pose a delay in commercialization and delayed volume growth. The speed of developmental activity in emerging applications of new innovative HDS, like delta grades or low surface area silica, will determine the pace of adoption within customers. We have already obtained product approval in major tyre brands in the country. Replicating the same in other large accounts with whom we are working will give us opportunity to scale this business. We have increased plant capacity for the tyre and rubber segments by commissioning a second line, which previously produced silica for food and oral care applications. This debottlenecking exercise has enabled us to serve tyre customers at scale. For FOS (Fructo-Oligosaccharides), higher lead time of customer conversion and willingness of customers switching to Indian Product specially in major market like Europe and US can lead to delayed volume realization.

US

At our US plant, age of equipment may disrupt production and increase maintenance spending. Talent acquisition risk, the risk of an aging workforce, the difficulty in hiring right talent due to other local market opportunities and physical location of the operating facility present a risk in ensuring the company has high performing and engaged workforce. A focus on internal training and capability building alongside a competitive remuneration package is key to retaining experienced workforce, and demonstrating to potential employees the opportunity the company presents. Coal supply is primarily dependent on a sole-sourced entity, with a contract until October 2027. Plans are in place for alternative supplies of coal until the switch over from our current coal and natural gas energy source to 100% natural gas is complete. To help manage the volume of fly ash generated though coal use the company has an agreement with a third party who will remove, process and market a proportion of the fly ash we produce, contributing to a reduction in the ash we store onsite. The Company has secured a new lease section and will seek to acquire additional lease sections through 2025-26 to provide a long-term access to trona. With the exception of environmental work related to a pond, there is no significant capital project planned for 2025-26, for which a potential permitting delay would be a significant project completion risk. The variability of insoluble levels in the mined trona can present a problem in surface processing, as well as the ability to mine sufficient volume of material to maintain production rates. Ore management and bed expansion are long-term solutions to this risk while short-term management includes surface blending of trona (mined + stockpile) as well as more frequent moves in the mine away from high insoluble content seams. Longer term market softness, particularly in high volume export regions (SE Asia, LATAM) and continued aggressive pricing from competitors will put pressure on all US manufacturers. A focus on excellent customer service, delivery levels and market competitive pricing is needed to grow our market in desired sectors. In the event of a market downturn, producers in countries with cheaper currencies will be at an advantage and we track US Dollar strength vs. competing currencies like Chinese RMB and Turkish Lira as well as other economic data to provide early indicators of potential market/ price movements. The risk of adverse US tax and tariff policy and uncertainty around environmental policy announcements by the federal administration may restrict the ability of the business to maintain growth ambitions.

Opportunities may arise if market prices increase due to higher delivery costs from Europe (which could be a temporary phenomenon) and the need for all manufacturers to increase returns from the recent lows. Increasingly, higher volumes of direct exports will also allow direct customer engagement which help us in aligning our strategic goals of business with the market.

UK

Prices in the UK salt market reflect a structural change in the UK energy landscape in recent years and there is some risk of an increase in imports. Any movements will be kept under close review as part of our existing strategy in FY26 leveraging our competitive advantage to our customers.

Following the closure of the Lostock soda ash facility, there is a need to optimise remaining costs at the site including the milling and packing operation and those costs that are part of the ongoing decommissioning and reconfiguration activity.

There are significant risks in cutting over Sodium Bicarbonate to the new model during FY26 including recommissioning the CCU plant and cutover to utilising soda ash from USA while ensuring full quality requirements and grade specifications of the high-end product. Post the recommissioning of the CCU on a new flue gas stream, the energy processes and configuration will be optimised.

The new Sodium Bicarbonate plant project will be in engineering phase during FY26. The company now has a new warehouse for high grade salt and sodium bicarbonate with the ability to use the facility for 3rd party income, and income from Biodiversity Net Gain (BNG) credits relating to land holdings. The first European Pharmacopoeia/ US Pharmacopoeia (EP/USP) pharmaceutical salt should be registered and sold during FY26.

Kenya (TCML)

TCML soda ash market will face competition from different competitors depending on location. Certain risks due to quality of soda ash, still remains a challenge necessitating a niche in container glass and the sodium silicate sector. This shall be mitigated with stringent quality controls and roll out of production of pure ash. The year FY25 saw the production of 6 Ktes of pure ash. Another external risk is the dispute between the County Government and TCML.

However, the African market presents opportunities for growth and TCML will refocus to grow revenue share from Africa. Further, energy saving through the commissioning of the solar power project currently underway shall continue to help reduce the costs of production which is critical to helping TCML remain favourable on cost leadership.

Rallis

Rallis has a robust and comprehensive framework to address the vagaries of monsoon and its impact on India's agriculture sector through deeper engagement with farmers.

Rallis India faces risks from weather dependence, as erratic monsoons impact agrochemical demand. Regulatory challenges, with stringent policies and potential chemical bans pose risk. Its reliance on imported raw materials, especially from China, exposes it to geopolitical risk and supply chain disruptions, while intense competition and currency fluctuations further put pressure on margins and profitability.

Rallis India is strategically expanding its market share, improving product portfolio, driving operational efficiency underpinned with sustainability to capitalize on the emerging opportunities in the domestic agricultural sector. Rallis is also working on a digitally enabled platform to improve the connect with farmers. B2B topline is expected to improve progressively, driven by volume expansion, new product launches, customer acquisition and new registrations. With these initiatives, Rallis is well-positioned for sustainable growth, improved profitability, and higher market competitiveness in both B2B and B2C segments.

Financial Performance (continuing operations) –

(A) Standalone performance for the year ended March 31, 2025

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change	Remarks
Revenue from operations	4,441	4,384	1	
Other income	319	383	(17)	Other income has decreased mainly on account of interest on income tax refund received in previous year.
Cost of materials consumed	1,141	1,003	14	Cost of materials has increased due to higher input costs of raw materials and higher procurements.
Purchases of stock-in-trade	46	86	(47)	Purchases of stock-in-trade decreased mainly on account of lower opportunities for trading in Nutrition solutions business during thee year FY 2024-25.
Power and fuel	994	1,015	(2)	
Freight and forwarding expenses	555	514	8	Freight and forwarding charges have increased majorly due to higher volume of sales.
Employee benefit expenses	293	299	(2)	
Finance costs	144	49	194	Finance costs increased mainly on account of interest on non-convertible debentures taken during the year (In Aug 24) to fund subsidiaries to enable them to repay their loans and higher working capital loan.

(B) Standalone Balance Sheet Analysis

1. Investments:

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change
Investments in equity instruments in subsidiaries	3,813	3,813	-
Investment in joint venture	336	336	-
Investment in preference shares in subsidiaries	2,836	1,160	144
Investment in other companies	6,858	7,479	(8)
Investment in mutual funds	397	368	8
Investment in perpetual instruments	150	150	-
Total Investment	**14,390**	**13,306**	8

Increase in the value of investments is mainly due to additional investments made which was compensated due to changes in fair value of investments as compare to previous year.

2. Inventories:

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change
Inventories	947	939	1

3. Trade Receivables:

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change
Trade receivables	252	232	9

Trade receivables are higher primarily due to the higher sales during March 2025 quarter.

4. Other financial assets, advance tax assets (net) and other assets:

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change
Other financial assets	122	28	336
Advance tax assets (net)	828	760	9
Other assets	307	285	8
Total	**1,257**	**1,073**	**17**

Increase in total assets is mainly due to insurance claim receivable, derivative assets and additional taxes paid.

5. Borrowings (net) / Cash & Cash Equivalent (net)

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change
Non-current borrowings (including lease liabilities)	1,777	82	2,067
Current borrowings (including lease liabilities)	484	33	1,367
Total Borrowings	**2,261**	**115**	**1,866**
Cash and cash equivalent (including Bank balances)	71	52	37
Borrowings (net)	**2,190**	**63**	**3,376**

Borrowings increased mainly due to non-convertible debentures taken during the year (In Aug 24) to fund subsidiaries to enable them to repay loans and due to new working capital loans taken during the year.

6. Trade payables, other financial liabilities, other liabilities, provisions, current tax liabilities (net) and deferred tax liabilities (net)

₹ in crore

Particulars	FY2024-25	FY2023-24	% Change
Trade payables	777	562	38
Other financial liabilities	237	273	(13)
Other liabilities	67	92	(27)
Provisions	284	256	11
Current tax liabilities (tax)	3	21	(86)
Deferred tax liabilities (net)	888	743	20
Total	**2,256**	**1,947**	**16**

Increase in deferred tax liabilities (net) is mainly due to higher capitalisation of property, plant and equipment. Increase in trade payables is mainly due to procurements made and outstanding as per terms of the business.

(C) Standalone Cash flow analysis

₹ in crore

Particulars	FY2024-25	FY2023-24
Cash from operating activities	803	806
Cash from investing activities	(2,493)	(351)
Cash from financing activities	1,710	(458)

Net cash flow from operating activities:

Operating cash flows are almost at same level that of FY 2024-25.

Net cash flow from investing activities:

Higher investing cash outflows in FY 2024-25 is mainly on account of purchase of non-current investments and property, plant and equipment (including capital work-in-progress).

Net cash flow from financing activities:

Net cash inflow in FY 2024-25 is mainly on account of proceeds from non-convertible debentures / work capital facilities and dividend paid during the year.

(D) Details of significant changes in key Standalone financial ratios:

1. **Interest Service Coverage Ratio (times)** of the Company has decreased to 5.68 (FY 2023-24: 17.86) due to lower profit from operations and increase in interest expenses due to new borrowing arrangements made during the year.
2. **Current Ratio (times)** of the Company has decreased to 1.15 (FY 2023-24: 1.62) due to Cash and Bank balance and other surplus funds used in acquiring property, plant and equipment (including capital work-in-progress).
3. **Debt Equity Ratio (times)** of the Company has increased to 0.12 (FY 2023-24: 0.01) due to new borrowing arrangements made during the year for meeting business requirements.
4. **Net Profit Margin (%)** of the Company has decreased to 11.80% (FY 2023-24: 20.44%) due to lower profit from operations on account of higher material cost and lower price realisation.
5. **Return on Net Worth (%)** of the Company has decreased to 3.02% (FY 2023-24: 5.16%) due to lower profit from operations on account of higher material cost and lower price realisation.

(E) Consolidated performance for the year ended March 31, 2025:

I. Revenue from operations

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
Tata Chemicals Limited ('TCL'), India	4,441	4,384	1
Tata Chemicals North America Inc. ('TCNA'), USA	5,261	5,377	(2)
TCE Group Limited - Consolidated ('TCE Group'), UK	2,007	2,404	(17)
Tata Chemicals Magadi Limited ('TCML'), Kenya	612	640	(4)
Rallis India Limited ('Rallis'), India	2,663	2,648	1
Others and Eliminations	(97)	(32)	203
Revenue from operations	**14,887**	**15,421**	**(3)**

Lower sales price of soda ash from India,TCNA, TCE, TCML partly offset by higher volumes at India, TCNA and Rallis.

ii. Cost of materials consumed

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
TCL, India	1,141	1,003	14
TCE Group, UK	230	371	(38)
Rallis, India	1,199	1,349	(11)
Others and Eliminations	(10)	(13)	(23)
Total	**2,560**	**2,710**	**(6)**

Cost of Materials consumed increase primarily at TCL offset by decreased in UK and Rallis.

iii. Purchases of stock-in-trade

Entity	FY2024-25	FY2023-24	% Change
TCL, India	46	86	(47)
TCNA, USA	18	16	13
Rallis, India	231	201	15
Others and Eliminations	(5)	(71)	(93)
Total	**290**	**232**	**25**

Lower purchase of stock in trade is due to Lower volumes in TCL and increase in Rallis is due to higher volume.

iv. Power and fuel

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
TCL, India	994	1,015	(2)
TCE Group, UK	710	940	(24)
TCNA, USA	507	525	(3)
TCML, Kenya	132	110	20
Rallis, India	78	83	(6)
Total	**2,421**	**2,673**	**(9)**

Power and fuel costs have decreased in TCL, TCE Group, TCNA and Rallis partly offset by higher cost in TCML.

v. Employee benefit costs

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
TCL, India	293	299	(2)
TCE Group, UK	269	228	18
TCML, Kenya	84	67	25
TCNA, USA	1,074	1,000	7
Rallis, India	275	262	5
Others	(6)	4	(250)
Total	**1,989**	**1,860**	**7**

Employee costs in TCNA, TCL, TCML and Rallis and slight reduction in employee cost in TCL.

vi. Freight and forwarding charges

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
TCL, India	555	514	8
TCE Group, UK	229	187	22
TCML, Kenya	86	63	37
TCNA, USA	1,771	1421	25
Rallis	90	79	14
Others	5	4	25
Total	**2,736**	**2,268**	**21**

Freight and forwarding charges have increased in TCL, TCE and TCML and TCNA.

vii. Finance costs

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
TCL, India	144	49	194
TCE Group, UK	180	155	16
TCML, Kenya	1	1	-
TCNA, USA	177	195	(9)
Rallis	12	18	(33)
Others and Eliminations	49	112	(56)
Total	**563**	**530**	**6**

Increase in finance cost in TCL and TCE due to Increase in borrowing and reduction in finance cost in TCNA due to decrease in SOFR rate and decrease in borrowing in Rallis.

viii. Other expenses

₹ in crore

Entity	FY2024-25	FY2023-24	% Change
TCL, India	602	568	6
TCE Group, UK	463	448	3
TCML, Kenya	158	195	(19)
TCNA, USA	1,238	1,415	(13)
Rallis, India	454	433	5
Others and Eliminations	(5)	13	(138)
Total	**2,910**	**3,072**	**(5)**

ix. Other expenses represent the following

₹ in crore

Description	FY2024-25	FY2023-24	% Change
Stores and spares consumed	344	355	(3)
Packing materials consumed	299	276	8
Repairs	646	732	(12)
Rent	74	42	76
Royalty, rates and taxes	453	524	(14)
Distributor's service charges and sales promotion	112	119	(6)
Others(*)	982	1,024	(4)
Total	**2,910**	**3,072**	**(5)**

** Others include insurance charges, Distributor's service charges, professional fees, foreign exchange loss, travelling expense, provision for doubtful debts and advances, directors' fees / commission, subcontracting cost, outsourcing cost and other expenses.*

(F) Details of significant changes in key financial ratios - Consolidation:

1. **Interest Service Coverage Ratio** of the Group has decreased to 3.47 (FY 2023-24: 5.37) due to decrease in revenue from operations (primarily sales price reduction) and Earning before interest and tax across geography.

2. **Operating Margin (%)** of the company has decreased to 5.58% (FY 2023-24 : 12.11%) due to decrease in revenue and profit.

3. **Debt Equity Ratio (times)** of the Group has increased to 0.31 (FY 2023-24: 0.24) due to new borrowing arrangements made during the year for meeting business requirements.

(G) Total Debt and Amortisation Schedule –

Repayment schedule of existing debt

Entity	Gross Debt	Repayments		
	Mar 2025	FY 2025-26	FY 2026-27	FY 2027-28
TCL consolidated	7,072	3,277	1,539	2,256

Notes:

1. *Gross debt of ₹ 7,072 crore includes ₹ 1,786 crore of working capital loans/ short-term borrowings*

2. *The repayment schedule for term loans has been prepared considering the existing repayment terms. Some of these loans/facilities may be refinanced / pre-paid, in full or in part, from time to time in future depending on the requirement and the business plans. Non-current portion of finance leases has been included in FY 2026-27 repayment.*

8. Innovation and Technology

Innovation Centre

The Innovation Centre (IC) is the Company's Technology, R&D (Innovation) hub for seeding new Green sustainability-led businesses, co-creating products and applications with customers, and providing science-based differentiation to its existing businesses, through a customer, market-centric and scientific approach. The Company has filed 445 individual patent applications (cumulatively) with 175 patent grants.

During the year, IC made significant contributions to the development of green high-surface area Highly Dispersible Silica (HDS), customer approvals for Tyre grade Organo silanes and conducted customer trials for bio-based surfactants. IC also developed an enzymatic process to produce FOS and progressed with co-creating food applications with customers. Asides, IC team has progressed with the development of Synbiotics involving indigenous probiotics and FOS for aqua applications with promising early results. In the year, the Company was named among CII's India's Top 20 Innovative Companies, received the Diamond Winner award in the CII Industry-Academia Partnership Awards, and was also honoured in the Large Manufacturing Category for Best Trademark Portfolio.

9. Digitalisation and Information Technology

Tata Chemicals continued its digital transformation journey with a focus on operational excellence, building a more agile supply chain and innovation. The successful global implementation of SAP S/4HANA on Rise has standardised workflows, enhanced user experience and improved global reporting and compliance. Further, the transition from legacy applications to modern platforms such as SAP BTP has streamlined accessibility, contributing to improved employee productivity and engagement. Additionally, the implementation of Ariba end-to-end in the supplier management process has improved compliance and collaboration.

The Company's journey towards higher data maturity is supported by the adoption of the TCS Datom Framework, enabling timely insights and enhancing cross-functional collaboration. Advancing from 'Simplified' to 'Scaled' and being recognized with the JRD QV Active Promotion Award, TCL has made steady progress, driven by a well-structured data office. The internal price forecasting model now aids the sales team in making more informed decision, while the launch of Data Pulse, a common business metrics dashboard, provides a single centralised repository of business critical KPIs. These initiatives ensure consistency and accuracy across departments.

The Company leverages AI/ML, IIoT and Video Analytics to improve its manufacturing processes. The deployment of IIoT Process Twins across five critical areas at Mithapur has facilitated real-time process optimisation, leading to more efficient use of raw material and throughput improvements. Similarly, the Asset Twin initiative, now covering six critical equipment sets, has strengthened predictive maintenance, reduced unplanned downtime and proactively addressed equipment issues. The use of GenAI to resolve equipment disruption issues has delivered excellent results, optimising asset performance and reliability.

Workplace safety remains a priority. AI-powered video analytics has been introduced to improve road safety at our Mithapur facility, enabling real-time monitoring of hazardous areas and generating alerts for safety violations. Additionally, the same technology is applied to measure production volumes and minimise material giveaway.

In the area of cybersecurity, Tata Chemicals is progressively adopting an AI-driven, Zero Trust security model, incorporating SOC modernisation, automation, cloud security and real-time threat intelligence. The Company continues to strengthen cybersecurity policies and frameworks to ensure security of digital assets and alignment with industry's best practices.

To support a digitally enabled workforce, the Company has launched specially curated training programmes, empowering employees to take an active role in digital projects. This shift toward business-led digital transformation has improved collaboration, automated processes, enhanced data-driven solutioning and increased operational efficiency through optimised workflows. In fact, the Company has transitioned from an LSS framework for resolving its most pressing process challenges to a Digitally led Lean Six Sigma (DLSS) framework

Tata Chemicals remains committed to leveraging digital technologies and data to enhance efficiency, resilience and overall business sustainability in an evolving global landscape.

10. Human Resources

A performance-driven team plays a crucial role in driving an organisation to new heights of success. The Company, therefore, ensures a holistic environment for its employees, enabling growth for people and TCL.

Tata Chemicals has always believed that culture serves as the unifying force between employees and competencies form the bedrock of long-term growth strategy. In FY 2024-25, the leadership team co-created and refreshed the Culture and Leadership Competency Framework. In the coming year, we will socialize and institutionalize the culture and competency framework in the company.

Through the Learning Architecture, the Company focused on capability building for the future, emphasising on leadership skills, functional skills, data and digital skills, project management skills, continuous improvement, operational excellence and innovation. Specialised capability building tracks, aligned to the NeXcellence vision of enhancing functional capabilities, were developed. Examples include FinX, SalesXcellence, Project Management, the learning journeys for the finance, sales and project team respectively.

To achieve continuous improvement, employees were certified with Lean Six Sigma green belt and black belt certifications through curated in-house programmes. The Business Excellence Champions Programme (BECP) was conducted for mid-level managers and functional leaders to enhance their understanding of the Tata Business Excellence Model (TBEM) and cultivate their skills as potential assessors. Further, employees in the mid-senior leadership team participated in several Learning Missions, visiting various industries and institutions to explore diverse aspects of innovation. The Transcend programme for data and digital skills covered both mass awareness programmes through Digital Discovery programmes and specialised programmes for data and digital champions within the organisation.

The Company continued its focus on in-house leadership development programmes, Increase Value, Enhance Skills for Tomorrow (INVEST), Coach and Nurture for Coaching skills, while also leveraging programmes offered by Tata Management Training Centre (TMTC), industry bodies and premier academic institutions. The third edition of Leadership Talent Connect, a platform for members of the Board to interact with employee groups and facilitate two-way sharing of perspectives, was organised.

Employee engagement continues to be a priority, and insights from x-prESS, the global employee engagement survey administered by an external partner, are shaping the Company's approach to employee experience. Based on feedback from these surveys, several policies were enhanced and made gender inclusive. Kudos, the rewards and recognition, offering social and peer recognition, gamification and democratisation of R&R was extended to subsidiaries. Further, an AI-based continuous listening tool has been piloted in India to further guide initiatives aimed at creating an engaging work environment.

The 'We Care' well-being framework continues to guide the Company to provide holistic well-being for employees and families. Refyne (Earned Wage Access platform) was launched last year as part of the financial well-being offerings. The Company's diversity, equity and inclusion efforts through the 'LEAD framework' will remain central to our HR agenda, ensuring an inclusive and supportive workplace for all.

Participation in the external study 'Voice of Women 2024' facilitation of Focus Group Discussions (FGD) with women employees across all locations by CHRO, as well as involvement of women colleagues in the action planning process, demonstrated the Company's commitment to gender diversity. The Company's efforts were recognised by the industry body CII-EFI and TCL India received special recognition for DEI initiatives in 2024.

The relationship with labour unions was characterized by mutual respect and cooperation, fostering a positive and collaborative environment for addressing workplace concerns.

11. Safety and Health

At Tata Chemicals, safety is a core value. The Company aspires to establish itself as a benchmark in the Chemical industry and become a Zero Harm Company. The Company integrates a culture of accountability, upholding an unswerving commitment to upholding Company's responsible policies and practices. This management-driven initiative fosters continuous improvement in safety system and practices and guarantees active stakeholder participation in various Safey and Health interventions. Additionally, the Company provides comprehensive training sessions to ensure all personnel gain a clear understanding of potential hazard and risks associated with activities.

Chaired by an independent director, the Board has established a dedicated Safety, Health, Environment and Sustainability (SHES) Committee. The Committee is responsible for reviewing and monitoring the Company's policies practices and performance on regular intervals, along with performing other tasks, such as proactively integrating safety and sustainability considerations into strategic initiatives, budgeting, audits, benchmarking and improvement plans.

The Company's unwavering commitment to the safety, health and well-being of all stakeholders is reflected by the comprehensive Safety, Health and Environment (SHE) Policy. This Policy framework ensures alignment with the organisational objectives across all sites and subsidiaries. Individual locations may adopt the Corporate SHE Policy directly or develop their own versions to adhere to both the Corporate Policy and local regulations.

The Corporate SHE Policy integrates seamlessly with other key documents, including the Group Safety Policy, Consequence Management guidelines, Corporate Sustainability framework, Corporate Mission, Vision and Values, Responsible Care guidelines and International Labour Organisation (ILO) standards.

The entire Health and Safety Framework is based upon Two Principles and Ten Safety Golden Rules. The Company leverages a comprehensive set of voluntary standards, such as Process Safety and Risk Management (PSRM), ISO 45001, ISO 14001), Responsible Care and British Safety Council guidelines.

Remaining in tandem with the industry's best practices, the Company consistently refines its strategies to foster a culture of safety. Senior management leads by example, actively fostering a safety-conscious workforce, while employees receive specialised training to identify and mitigate potential hazards, risks and mitigative measures. Additionally, the Safety Felt Leadership initiative empowers leaders to take ownership of safety within their teams and drive continual improvement. Further, monthly reviews by the Managing Director on health and safety improvement plans and controls on Key Safety Risks emphasise the Company's commitment to fostering a safe work environment.

The Company encourages employees to identify and report potential hazards, near-misses and unsafe behaviours using digital tools. The Process Safety and Risk Management (PSRM) programme is implemented at sites to proactively manage potential risks associated with the manufacturing processes. Additionally, Contractor Safety Management programme has been reviewed and renewed during the year for contractors working on-site to adhere to the same safety standards as a Company employee. To address health risks, The Company also conducts periodic industrial hygiene assessments and medical check-ups, providing adequate medical facilities on-site and establishing partnerships with specialised healthcare providers.

The Company utilises a "Serious Injury and Fatality (SIF) Potential Approach" within accident prevention programme. This proactive approach identifies and addresses potential hazards before they cause serious injury or harm. Additionally, the Company tracks leading indicators under Process Safety Indicators (PSI) elements to measure progress and identify areas for improvement. Furthermore, annual targets are set based on organisational needs, aspirations and past performance. By synergising digital efficiency and data analytics, the Company is steadily setting new standards in the industry.

12. Sustainability

For Tata Chemicals, being a sustainable enterprise is a guiding principle ingrained in its corporate DNA. The Company's sustainability goals are aligned with the UN Sustainable Development Goals, with robust Environmental, Social and Governance principles integrated into daily operations. The Company's sustainability framework is designed along the axis of Materiality and Responsible Care. This year, the Company undertook a large-scale stakeholder-driven Double Materiality Assessment (DMA) (in line with CSRD guidelines) with the support of a third party.

Aligned to Tata Group's sustainability policy and objectives, as articulated in its Project Aalingana, the Company has taken actions towards three key themes - Climate change and emissions, Circular economy and Resources (Water, Material and waste) management and Preserving nature and biodiversity.

To achieve Net Zero emissions, the Company has adopted low emission and carbon neutral fuels, improved energy efficiencies, increased renewable energy sources, established carbon capture units and explored new technologies and processes. Further, the Company is committed to becoming water positive and ensuring zero solid waste to landfill. The Company has adopted the principles of circular economy, embracing the 3R (Reuse, Recycle and Reduce) strategy at its manufacturing facilities.

Additionally, the Company ensures net zero impact on biodiversity, focusing on conservation of biodiversity in and around the areas of its operations. The Company primarily focuses on coastal and marine ecosystem. It has also initiated a biodiversity impact assessment study for its Mithapur site.

To further strengthen Company's ESG disclosures, the Company uses ESG Compass, an online software to collect, analyse, report data and measure progress of ESG indicators, across all its entities. Through frameworks such as ISO 14001, Responsible Care guidelines, Global Reporting Initiative ('GRI') and Science Based Target initiatives (SBTi), the Company is minimising its carbon footprint. It shares its ESG performance as per Business Responsibility and Sustainability reporting (BRSR), Carbon Disclosure Project ('CDP'), International Integrated Reporting Council ('IIRC'), United Nations Global Compact ('UNGC') and Corporate Sustainability Assessment (CSA) / Dow Jones Sustainability Index (DJSI) with stakeholders. The Company undertakes third party audit of its non-financial information as referred to in the reasonable and limited assurance reports by KPMG Assurance and Consulting Services LLP. The Company also engages with its key suppliers and is part of industry initiatives viz India Business and Biodiversity Initiative.

Integrated Report

The Company has adopted the IIRC framework to establish integrated reporting within the mainstream business. In accordance with the IIRC Framework, the Company has included an Integrated Report <IR>. The <IR> seeks to provide a concise and integrated account of how the Company's strategy, governance, performance and prospects are delivering on its core purpose – being a global company. The <IR> encompasses all key financial and non-financial performance indicators which are material to the Company as per GRI, BRSR, UNGC, CSA and CDP. It plays a crucial role in establishing the linkages between environmental and social sustainability, as well as the financial growth of the organisation. The <IR> contains assured sustainability data for FY 2024-25 for entities across the enterprise. The financial information has been audited by B S R & Co. LLP, and the non-financial information has been assured by KPMG Assurance and Consulting Services LLP.

13. Business Excellence

The Company remains committed to continually raising the bar on performance in all aspects of its business. The Tata Business Excellence Model ('TBEM') serves as a pivotal framework that allows the Company to gain insights into its performance, and establish continuous improvement initiatives for attaining superior business results and maximising satisfaction and value for the customers.

The TBEM framework comprises six core areas of business excellence: Leadership, Strategic Planning, Customer Focus, Analysis and Knowledge Management, Workforce Focus, and Process Management. For the Company, a global organisation that has its manufacturing operations spread across four continents with diverse business segments and employees from different cultures, TBEM serves as a platform to establish a consistent standard of excellence. The Company participated in the Tata Group TBEM assessment in 2024 and retained the Industry Leader status. This affirms the Company's commitment to strengthening the culture of excellence and progress towards becoming a world-class organisation.

14. Internal Controls

The Company has an independent Internal Audit function with a well-established risk management framework. The scope and authority of the Internal Audit functions are derived from the Internal Audit Charter approved by the Audit Committee. The Company has engaged a reputable external firm to support the Internal Audit function for carrying out the Internal Audit reviews.

Reviews are conducted on an ongoing basis based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of each year. The Internal Audit team reviews and reports to the management and the Audit Committee about compliance with internal controls, and the efficiency and effectiveness of operations as well as the key process risks.

The Audit Committee meets periodically to review and discuss the various Internal Audit reports, and follow up on action plans of past significant audit issues and compliance with the audit plan.

15. Risk Management Framework

The Company has constituted a robust governance structure consisting of five levels, thereby ensuring both bottom-up and top-down approaches.

A Risk Management Committee ('RMC') is constituted to oversee the risk efforts in the Company. The RMC meets quarterly to review key risks and assess the status of mitigation measures. The Company's approach to risk management is designed to provide reasonable assurance that its assets are safeguarded, and the risks facing the business are being assessed and mitigated.

The key roles and responsibilities regarding risk management in the Company are summarised as follows:

1. Board of Directors

- Reviewing and guiding Risk Policy of the Company
- Ensuring the integrity of the systems for risk management

2. Risk Management Committee of the Board

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks, specifically faced by the Company, in particular, including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee
  - Measures for risk mitigation including systems and processes for internal control of identified risks
  - Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
- To periodically review the risk management policy, at least once in two years by considering the changing industry dynamics and evolving complexity
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

3. Risk Management Group at Senior Leadership Level

- Identification and review of enterprise risks from time to time, initiating mitigation actions, identifying owners and reviewing progress
- Identification and review of risk appetite and risk trigger (at Enterprise Level)
- Implementation of Risk reduction strategies
- Deploying Risk Management Policy
- Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks
- Providing updates to RMC from time to time on the enterprise risks and actions taken

4. **Risk Management Group at Business Unit (BU) Level/ Subsidiary Level**
   - Reviewing respective BU/Subsidiary risks from time to time, initiating mitigation actions, identifying owners and reviewing progress
   - Identification and review of risk appetite and risk trigger (at BU/Subsidiary Level)
   - Implementation of risk reduction strategies
   - Deploying Risk Management Policy
   - Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks
   - Providing updates to TCL Management Committee (RMG) and RMC level from time to time on the respective Business / Subsidiary level risks and actions taken

5. **Risk Owners**
   - Responsible for developing and acting on the risk mitigation plan
   - Providing periodic updates to RMC on risks with the mitigation plan

Risk Categories

The following categories of risks have been considered in the Risk Management Framework:

- Sustainability Risks are the risks arising out of adverse impacts that the business activities have on environment (planet) and communities (people).
- Strategic Risks include the range of external events and trends (like Government policy) that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value. They also include the risks arising out of the choices the Company has made in defining its strategy.
- Operational Risks are those risks that are associated with operational uncertainties, including failure in critical equipment, attrition, loss of data from cyber attacks, etc.
- Financial Risks are risks faced by the organisation in terms of internal systems, planning and reporting.
- Regulatory and Policy Risks are risks on account of inadequate compliance of regulations, contractual obligations and intellectual property violations, leading to litigation and loss of reputation.
- Reputational Risks include a range of events that creates a mismatch between stakeholders' expectations and their perceptions of the Company's performance around those expectations.

For more details on key risks and their mitigation plans, please refer to page no. 26 of this Integrated Annual Report.

Cautionary Statement

Statements in the Management Discussion & Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, and other statutes and incidental factors.