Tatva Chintan Pharma Chem Limited

(CIN:L24232GJ1996PLC029894)

Date: 24 January 2026 Ref. No.: TCPCL/SEC/2025-26/00075

To,

The General Manager,
Corporate relationship department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001
Scrip Code: 543321

The Manager,
Listing department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra(E),
Mumbai-400 051
Scrip Symbol: TATVA

Subject: Transcript of Earnings Call

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the transcript of the earnings call held on 21 January 2026 post announcement of financial results of the Company for the quarter and nine months ended 31 December 2025.

The above information shall be made available on the website of the Company at www.tatvachintan.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For Tatva Chintan Pharma Chem Limited

ISHWAR RAMANBHAI NAYI

Digitally signed by ISHWAR RAMANBHAI NAYI
Date: 2026.01.24 10:53:37 +05'30'

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Encl.: As above

"Tatva Chintan Pharma Chem Limited
Q3 FY '26 Earnings Conference Call"
January 21, 2026

MANAGEMENT: **MR. CHINTAN SHAH – MANAGING DIRECTOR – TATVA CHINTAN PHARMA CHEM LIMITED**
MR. AJESH PILLAI – CHIEF FINANCIAL OFFICER – TATVA CHINTAN PHARMA CHEM LIMITED
MR. DINESH SODANI – GENERAL MANAGER, ACCOUNTS & FINANCE – TATVA CHINTAN PHARMA CHEM LIMITED

MODERATOR: **MR. SANJESH JAIN – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Tatva Chintan Pharma Chem Limited Q3 FY '26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone telephone. Please note, that this conference is being recorded.

I now hand over the conference to Mr. Sanjesh Jain. Thank you, and over to you, sir.

Sanjesh Jain: Thanks, Rudra. Good evening, everyone. Thank you for joining on Tatva Chintan Pharma Chem Limited Q3 FY '26 Results Conference Call. We have Tatva Chintan management on the call represented by Mr. Chintan Shah, Managing Director; Mr. Ajesh Pillai, Chief Financial Officer.

I would like to invite Mr. Dinesh Sodani, GM Accounts & Finance, to initiate with opening remarks, post which we will have an opening statement from MD and CFO, and post which we will have a Q&A session as well. Over to you, Dinesh ji.

Dinesh Sodani: Thank you, Sanjesh ji. Good evening, everyone. On behalf of the management, I'm pleased to welcome all of you to Tatva Chintan's Results Conference Call to discuss Financial Results for the Quarter and 9 months ended December 2025. Please note that a copy of all the earning call related disclosures is available on both the stock exchanges, that is NSE and BSE as well as on the website also.

Any statement made or discussed during this call, which reflects our outlook for the future or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces. A detailed disclaimer in this regard has been included in the investor presentation that has been shared on both the stock exchanges.

Now, I will hand over the call to our CFO, Mr. Ajesh Pillai, for his opening remarks. Over to Ajesh, sir.

Ajesh Pillai: Thank you, Dinesh ji. Good evening, everyone. Welcome to Q3 FY 2026 Earnings Call of Tatva Chintan Pharma Chem Limited. The financial results for quarter have been duly submitted to the stock exchanges and are also available on our website. Hope you had a chance to view it.

I'll briefly walk you through the key financial highlights and provide an overview of the performance across our major business categories for the quarter. For Q3 FY 2026, the company reported operating revenue of INR1,313 million, representing a year-on-year growth of 53% and a sequential growth of 6%. EBITDA for the quarter stood at INR255 million, reflecting a 261% year-on-year growth and a 15% improvement quarter-on-quarter.

Moving to the category-wise performance. Phase Transfer Catalysts reported revenue of INR279 million, reflecting a 5% decline quarter-on-quarter, while recording a 13% growth year-on-year. Electrolyte Salts achieved revenue of INR14 million, registering a 14% growth, both sequentially and on a year-on-year basis.

Pharma & Agro Intermediates and Specialty Chemicals delivered revenue of INR471 million, reflecting a 45% sequential growth and an 86% increase year-on-year. Structured Directing Agents reported revenue of INR534 million, representing a 10% decline quarter-on-quarter while delivering a strong year-on-year growth of 65%.

With this overview of the performance for the quarter, I hand over proceedings to Mr. Dinesh Sodani. Over to you, Dinesh ji.

Dinesh Sodani: Thank you, Ajesh, sir. With this brief overview, on behalf of our MD, Mr. Chintan Shah, I now invite our CFO, Mr. Ajesh Pillai, to provide overview on the strategic direction and the business outlook of the company going forward. Over to Ajesh, sir.

Ajesh Pillai: Thank you, Dinesh ji, and thank you, Chintan, sir, for this opportunity. Good evening -- again, good evening, everybody. Thank you for joining us for today's earnings call.

As we step into calendar year 2026, we look ahead with a renewed sense of purpose and confidence, while remaining mindful of the evolving geopolitical environment.

Over the past few quarters, we have spoken about early signs of stabilization and recovery within the chemical industry. This quarter, those signs are translating into clearer stability and improved visibility of growth across multiple end-use segments. Customer order patterns across several end markets have become more predictable with healthier engagement levels compared to the recent past.

We are pleased to note that the strategic commitments we have consistently articulated over the last few years, especially through their challenging phases of the cycle, are now manifesting into stronger commercial traction and execution outcomes. This quarter's performance reinforces our conviction in the path we have chosen and reflects the organization's ability to translate preparation into delivery.

We do acknowledge the geopolitical developments and discussions around the reciprocal tariffs, particularly in United States, continue to remain fluid, but we believe these uncertainties are manageable at this stage and do not materially alter our near-term business trajectory.

We channelize our energy on executing customer commitments efficiently, while preparing the ground for the company's future growth. Our priority is to deliver value to our customers through innovative chemistry and to build the infrastructure necessary to realize these capabilities. At Tatva Chintan, we aim to be recognized for the depth and complexity of chemistries we are capable of handling.

Let me briefly take you through the category-wise developments:

Phase Transfer Catalysts:

The steady momentum in Phase Transfer Catalysts is driven by enduring customer relationships and the reliability in our solutions. This reinforces our position as a preferred partner in this space.

Structured Directing Agents:

In Structured Directing Agents, the improvement in demand has become more pronounced. Macro development in the automotive sector, including the recalibration of electrification of vehicles and impending implementation of Euro 7 emission standards are translating into higher customer engagement and increasing volume offtake. This, coupled with sales coming in from new customers will continue to drive the uptake in this segment.

Electrolyte Salts:

This segment is progressing well across the energy storage systems and hybrid automotive applications. Demand from customers in energy storage has shown consistent improvement, with volume scaling up in a predictable manner. Our decision to develop this segment as a distinct strategic focus is beginning to show an encouraging progress, and we remain confident that it will evolve into a meaningful contributor from the current quarter.

Pharma, Agro & Speciality Chemicals:

On the agro front, commercial traction has strengthened further during the quarter. Two key agro intermediates were commercialized in the previous quarter, including the product based on photochlorination technology. The customer commitments envisaged for third quarter for these products have now been timely fulfilled with minor delays.

We have not received any customer complaints in relation to these products, which reinforces our confidence in the consistency and quality of the products. The technical challenges encountered during this phase are expected to be addressed with the commissioning of the new plant. This facility will provide the required scalability and operational leverage, which should progressively support improved profitability.

On the pharmaceutical side, we expect commercialization to consolidate from the second quarter of next financial year. Until then, the demand is likely to remain intermittent as customer validation and ramp-up activities continue.

Semiconductor Chemicals:

Our Semiconductor Chemicals segment continues to move steadily in the right direction. Years of sustained R&D in ultra-high purity chemistry are now yielding tangible progress. During the current quarter, we will execute our first plant trial order. And while the path to full commercialization will be gradual, we remain confident in the long-term significance of this opportunity.

We are pleased to share that the preparatory work for our new plant at Jolva, Dahej, is progressing with a high degree of readiness, and we expect to break ground during the current quarter. Formal announcements will be made at the appropriate stage.

This facility is a key enabler for our future growth, particularly for serving the agro intermediate with strong domestic demand, where the product development and the quality benchmarks have already been achieved. As the project advances towards commercialization over the next 18 months, it will significantly enhance our operational flexibility and scalability. As we move forward, we see our business entering a phase of stronger execution-led growth, supported by improved demand visibility, deepening customer relationships and maturing innovation pipeline.

Importantly, the organization today operates with a high degree of internal confidence and execution discipline built over years of navigating complex cycles and challenging development programs. Our progress continues to be driven by a strong execution mindset, consistent operational discipline and a deep focus on solving customer needs.

These fundamentals have strengthened the organization through challenging phases and will remain central as we move into the next stage of growth. We would like to thank our customers, partners and employees for their continued trust and commitment.

With this, I'll now hand over the proceedings to the moderator for opening the question-and-answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Sanjesh Jain from ICICI Securities Limited. Please go ahead.

Sanjesh Jain: Yes. Good evening, sir. Thanks for taking my question. First, on the Agrochemical side. We mentioned about the Photochlorination and other Agrochemical products, which we are in the process of commercialization. I want to get first update on the new plant we were planning to commercialize, where are we in that plant?

Number two, yesterday, SRF mentioned in the call that they are looking at the industry still undergoing a pricing pressure and recovery is a little uncertain. How do you see the crop protection market because we are betting very heavily on the crop protection market for our growth in the near-term? These are the first set of questions.

Chintan Shah: Good evening, Sanjesh ji. This is Chintan Shah. With regards to the first question about when we are getting. So today, the engineering team has handed over the plant to the production team. So now they are doing the first set of water trials, and we expect to have trials -- chemical trials beginning from 1st of February and potentially begin validation trials from 16th of February. So all the engineering execution is now complete, and the plant handover has happened, at the moment, we are talking.

Coming to your second question that, yes, we definitely are betting quite heavily on the Agrochemical part. The thing, which probably differentiates my views from the rest of the industry is because we had absolutely nearly no presence in this sector, let us say, a year or two years back.

So whatever development that we have brought into this segment has come with lot of innovative technologies. So we have kept ourselves largely away from conventional chemistry and focused largely on catalytic or electrolytic chemistries. And I think that strategy is paying off. So we can bring a real winning situation for the customer as well and still sustain our margins in that way.

So this is potentially giving us a new opportunity. And for us, virtually, the sale was zero in this new products. So any incremental or any business that we see is giving direct impact on our numbers. In terms of demand what we foresee. So we feel that 2026, based on the customers' feedback, is going to be similar to 2025 calendar year. And we expect the 2027 to begin a turnaround for the agro intermediate demand, so a gradual uptick.

The third bet which we are taking is setting up a new plant in Jolva. It's a greenfield project, which we intend to break ground in this current quarter. And this basically, we'll have one large part of the capex will go into commercialization of another agro intermediate product, which is an absolute import substitute. So we will become the first one to commercialize this product in India.

And again, in this sector, we have brought in innovative technologies in place, which gives us an upper hand compared to the existing competition, which is an import source from Chinese sources. So the product has been validated, small trials. The materials have been approved by a couple of customers.

So we are -- as far as the process, technology scale-up is concerned, now we are super confident. And now we have decided that let us go with the capex plan for this. So despite of the general perception of industry being the Agro industry, particularly being kind of going through a turbulent phase, but sitting on my position, we see the picture in a very different way.

Sanjesh Jain: Very clear. And the new plant we were expected to commercialize at Q4, where are we in that?

Chintan Shah: That's what I said. So today, they have handed over the plant to the production team. Water trials and leakage tests have begun. And we will do chemical trials from 1st of February. So the plant will have all -- any kind of solvent testing, whatever stuff beginning from 1st of Feb. And from 16th of February is when we do the validation trials for various products.

Sanjesh Jain: And commercial production will take some more time from the validation?

Chintan Shah: Right. So we expect about first week of March when we actually put the plant to commercial use.

Sanjesh Jain: That's clear. And update on the photochlorination. Where are we in the process of photochlorination chemicals?

Chintan Shah: That we have very successfully and nicely executed our orders for the just-ended quarter. Though we were a bit delayed by about 2 to 3 weeks in terms of schedules, but in terms of chemistry and process, everything has gone very well. And now we have got repeat orders for those products for the coming quarter. So it supplies for April to June quarter. So that is going on very nicely and technology is working just fantastically well.

Sanjesh Jain: Got it. Got it. And on the second part, pharma side, are we through the dossier or we are still in the process of getting the...

Chintan Shah: It is in the process. So as far as we are concerned, our task is done. So we have completed our task. We have done the scale up, we have supplied commercial batches. Now the Stage 2 intermediate producer has also completed some of the validations. And now the final active producer is undergoing the validation. So it's still maybe a couple of quarters before the actual commercialization will settle.

Sanjesh Jain: So we still see second half of CY '26, we should be able to supply pharma, or it can get delayed by a little bit there?

Chintan Shah: No, no, that will begin. That will begin.

Sanjesh Jain: That will begin. Got it. And any further detail on Jolva side? We are proceeding, any capex plan there? How much you are planning to invest, any of those numbers?

Chintan Shah: So this is -- we will do it in two large phases. So the first phase is going to be greenfield right from filling up land to building compounds, boundary walls and all, common utilities and stuff like that. We expect this phase to have a capex of about INR265 crores, INR270 crores. That final amount we will have within the next week's time. So those final drawings and designing and estimation work is going on.

So probably this is where we look at the number between INR250 crores to INR275 crores as capex. And we plan to execute this within 18 months. And though it seems very aggressive, what we feel that this is now a high time that we should put pace to this because it's a successfully running technology, and we don't want to miss on this opportunity.

Sanjesh Jain: Very clear. And last question on the semiconductor side, we said that we are now starting with the plant-scale trial.

Chintan Shah: Plant trial.

Sanjesh Jain: Yes, plant scale trial.

Chintan Shah: So basically, we have received our first plant scale production order, so from the customer that they want three batches to be made at plant scale. So until now, whatever was approved, everything was at the pilot scale. So now we are going to ton scale. So each of these batches would be about 3 metric tons each, and that is where some modifications at the plant are ongoing.

We are awaiting for certain packaging systems because this is a very super-sensitive quality that we are trying to achieve. So those missing blocks, we expect to be in place by 31st of January. And then early February, we'll start our first plant scale batch size.

Sanjesh Jain: And you mentioned these are three products or a single product with a 3 metric ton of 3 batches?

Chintan Shah: This currently what we are doing is first product, the first product. Second product is still under piloting.

Sanjesh Jain: Got it. And then this opportunity can be material for us?

Chintan Shah: Absolutely. But it's going to be somewhere around 2028 when it goes to full-scale commercialization. So it will be a gradual ramp-up, but post that, it's definitely proposes to be a big opportunity. If it continues the way it is being shown and what the customer projects, so this is basically an established product being replaced by another product.

And if you look at the volumes of the established product, it is huge. So we expect that this product will also give us a very sizable opportunity in this space. And the reason why the currently established product is potentially being tried to phase out is because of its toxicity reasons.

Sanjesh Jain: Okay. And this is less toxic, the one we are producing?

Chintan Shah: Yes.

Sanjesh Jain: Very clear. And any last comment on the electronic -- electrolyte that we were supplying? We are still to see any material uptick there?

Chintan Shah: No, no. So actually, the internal shipments within the country, so from destination port to the customers got delayed. And that is why the sales did not reflect in this quarter. But from January of this quarter, we'll have -- I believe calendar year '26 will show at least 7% to 8% in terms of revenue coming from this category. So it's quite encouraging the way it is going.

Sanjesh Jain: Okay. So we are right now around 1%. We are telling this will run from 1 will go to 7 to 8?

Chintan Shah: Yes, yes.

Moderator: Thank you. Our next question is from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Yes. Sir, I just want to understand, sequentially, there has been a decline in the SDA revenue. Is it because the volume was impacted or the raw material prices were down sequentially?

Chintan Shah: Don't track SDA on a sequential basis, I would request please track SDAs on an annual basis because of the way the business is happening is in kind of what you call the campaign basis. So customer has designated campaigns when they run the product, and that is when their demand is very high. And there could be a quarter potentially with no sales also. So this has not happened, but this is also a by far possibility. So please track the demands or the revenue of this segment, particularly of this segment, on a little longer-term basis.

Raman KV: Understood, sir. Sir my main question...

Chintan Shah: This will keep you going crazy. And that is one of the key reasons why we have so much of inventories in place because of the way the whole operation happens and the way the demand goes. So one quarter, zero demand; another quarter, can be a few hundred tons of demand. So this makes us crazy as well, and it becomes very difficult to justify quarter-on-quarter sales in this segment.

Raman KV: No, sir, I understood. I understand that. I just wanted to understand the raw material pricing with respect to SDA because last...

Chintan Shah: Sir, it's still the same. That is we are not seeing much change. So it still continues to remain at the same levels.

Raman KV: Okay. So it's similar to the last two quarter level?

Chintan Shah: Yes. Yes.

Raman KV: And sir, with respect to the Dahej plant, how much capex are we -- did we invest in that? And how much asset turn can we expect from that plant?

Chintan Shah: So current new plant capex was INR102 crores. That final number is yet to come, but it's roughly in the range of INR100 crores. And we expect -- so this is -- basically, it is difficult to say that one particular investment is going to fetch me what, because this is kind of going to be used -- there are -- see, the new agro intermediates which we commercialize, okay, the large ones.

Now we are facing a lot of bottlenecks within that production system. So some of the recoveries which we are supposed to do and reuse, we are unable to do because of lack of infrastructure at that time. There are certain byproducts that we could convert it into a useful product. We are letting it go off because we don't have necessary infrastructure in place.

So this new plant is going to give us that kind of a backup, which allows us to run our plants smoothly, give us good leverage in terms of cost, because we will derive cost from most of the byproducts in the solvents, which currently we are unable to do.

So this gives us a very good comfort in terms of scaling up the volumes to the desired level what the customer forecast and also gives us a pricing leverage because -- I mean, the profitability leverage, because purposefully, we are letting go of certain things, because we don't have the infrastructure in place. So this new plant is going to suffice that.

Raman KV: No. So we...

Chintan Shah: Now what we foresee is this plant as a whole. So I would not be able to put the exact number to what this plant particularly will contribute, but in terms of overall revenue, I would say now we can achieve at the current pricing levels, we feel confident to reach up to a level of INR850 crores to INR900 crores in terms of overall revenue.

Raman KV: That is a consol, including all -- with respect to all the...

Chintan Shah: Yes, Ankleshwar is small. So Ankleshwar plant is contributing roughly about INR100 crores, INR120 crores on annual basis. So all the rest of it is coming from that.

Raman KV: Understood, sir. And sir, my final question is with respect to semiconductor. Can you give us the order size with respect to this first full plant?

Chintan Shah: So this is just a small trial order, a few thousand dollars. Just a small plant trial order and test whether we can scale up the products from pilot to the plant in the same way with this desired quality. So this is kind of a testing purpose.

Potentially, customers may not even end up using the product. So their purpose is whether you have necessary systems right in place, your technology works from going up from 100 kgs to few thousand kgs. So that is kind of a test which will undergo with the customer.

And this will be done very closely with customers' multiple visits during those times when we run the batches, because they also want to monitor our systems, how nice or whether we are handling them in the correct way or they feel they can do some handholding in kind of trying to help us to improve the process if required.

But so far, that has not happened. So single-handedly, we have been able to carry through the pilot. And we are pretty confident we'll do the same on the plant scale as well. So this is kind of a test. So it is particularly a few thousand dollars of order value.

Raman KV: Understood, sir. Sir, just a follow-up. Our Dahej plant will start commercial production from Feb last week. And what about the Jolva plant?

Chintan Shah: That will kick off the -- we break ground during this quarter, somewhere around the same time, somewhere around mid-February.

Raman KV: So if my understanding is correct, we reported around close to INR50 crores from Pharma and Agrochemical intermediate. So this is -- this doesn't account for any production from Dahej plant, right?

Chintan Shah: No, it is -- Dahej plant is functional, no? Nothing from Jolva plant.

Raman KV: Okay, okay. Understood.

Chintan Shah: Dahej plant is running, but nothing from the new block in the Dahej Plant, which we are talking of the INR100 crores new capex, nothing has come from it as a part of revenue in these numbers.

Raman KV: Understood, sir.

Chintan Shah: See, there are two things going on. One is a INR100 crores capex, which we have just finished, the handover has happened today, and it will start commercial production somewhere around mid-February, okay? So still, there is no revenue kicked in, but the plant is ready. And then we are talking about second phase of expansion, which is a greenfield project at Jolva, it's a completely new site, different location, about 6 to 7 kilometers from our existing Dahej plant.

Moderator: Our next question is from the line of Darshan Garg from Tiger Assets. Please go ahead.

Darshan Garg: Sir, so could you please help me understand how the demand cycle typically works? So does it tend to be relatively shorter? So my understanding is that zeolite manufacturers generally overholding SDA inventory for longer periods as product quality can degrade over time. So is this understanding, correct? And how does that influence the ordering patterns and visibility for you?

Chintan Shah: No. Zeolite's order qualities will deteriorate on prolonged storage. These are very stable compounds. So they will say the catalyst or the zeolite will stay for years. And even on usage -- see, when I say we've run some specialized chemistries, some technologies, where we use this type of catalyst. So my customer becomes my suppliers in those cases, most of the time.

Now this catalyst -- the beauty of this chemistry, running this chemistry, this catalyst remains so stable, you can continuously use it for a couple of years despite of a day-to-day massive use, right? So, if you just put them idle, they just stay as it is, and you activate them and again reuse after, let us say you want to use it after 3 years, we'll be able to do it with same efficiency. So that's the beauty of these products.

And in terms of -- see, they are running a number of different products. So -- and they don't buy raw materials for each product from me. So I may be qualified for certain of those products. So whenever they have campaign to make those products, which involves my product is when we get an opportunity to sell into that.

So that for the zeolite producer, their revenues may be -- probably they might also going through this kind of demand from their catalyst manufacturers in terms of campaigns. But for them, they may be running productions through the year, but buying products from me only where it is applicable where my product is approved. So I see more of campaign-based demand rather than a consistent use.

Darshan Garg: Okay. Got it. And sir, how were the SDA prices in this quarter versus our last quarter?

Chintan Shah: Sorry, what's that?

Darshan Garg: What -- how are the SDA prices compared to the last quarter?

Ajesh Pillai: Which prices? Exchange prices?

Chintan Shah: What are you asking? Sorry, it's not clear.

Darshan Garg: SDA, structure-directing agents.

Chintan Shah: Same. There is no change at all.

Moderator: Thank you. Our next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: Yes. So actually, I just had a clarification question. You just mentioned that overall we can achieve a revenue of INR860 crores to INR900 crores. Can you give a time line for that? When is -- when will that be possible? When can we achieve that revenue?

Chintan Shah: 2.5 years from now, 3 years let us say on a safer side.

Nishita: Right. And if you can give any guidance for FY '26 and FY '27 from the current run rate of -- quarterly run rate of revenue, do we expect to see a 30% growth in FY '26 year-on-year?

Chintan Shah: I would definitely say a number between 20% to 30% of growth is definitely achievable.

Nishita: And for FY '27?

Chintan Shah: Similar, similar. Because by that time, we'll have a much larger growth potentially if the Jolva plant goes commissioned commercially, right? So the time line for Jolva plant to get commissioned and put to use, potentially, we are looking at September or October of 2027.

So that will have an impact in terms of revenue because it will be an additional facility coming with few new products, expansion of the existing products. So that will have a little larger impact in terms of percentage revenue growth.

Nishita: And on the margin, on the EBITDA margin front, what margins can we expect because our margins have been growing consistently since FY '26 quarter 1. So where do we see them stabilize?

Chintan Shah: I would say somewhere between 20% to 22% is what I always say that this is realistically achievable. It can be higher at times, but the realistic picture is what we look at. Unless and until if the prices start increasing, the raw material prices and overall product prices have changes, then it can have a positive impact.

I don't see -- potentially, I at least don't foresee the prices to even reduce further because this is kind of stabilized since last few months, it is trying to go up and fall back. So that is -- I don't see any reason that they can reduce from here any further. So if there is a positive price movement, then it can have a positive impact on EBITDA slightly. But as a forecast, I would say -- let's say, 22% is a very feasible number that we should consider.

Nishita: Okay. So sir, like can we achieve that in FY '27? Because in FY '26 it will be difficult for us to achieve the 20% number. Or can we...

Chintan Shah: Right, '27, we'll definitely see that kind of a number because right now, also a lot of expenses in Dahej in terms of employees recruitment, utilities, everything is in place, which is being underutilized. The reason of underutilization is earlier, the markets were not good. Now the markets are good, the plant occupancy is gradually increasing.

And now once we have this new block going commercial, we have largely covered the cost of the new block as far as the operational cost is concerned in terms of manpower or most of the utilities. So it's very logical that our margins should slightly go up, better than what we are seeing right now.

Moderator: Thank you. Our next question is from the line of Nirali Gopani from Unique PMS. Please go ahead.

Nirali Gopani: Hello, Chintan bhai. Thank you for the opportunity and congratulations on a good set of results.

Chintan Shah: Thank you, Nirali.

Nirali Gopani: I want to understand, it's very early days for semiconductor, but if things go in our direction, how big can be the opportunity for us in FY '28, '29?

Chintan Shah: It's still too early, Nirali, to give this number. But these are very large volume products. And -- so what -- see, this is all, let us say, if I'm saying it's a INR100 crores opportunity, for example, to give a number. But in reality, it could be a INR2,000 crores opportunity.

So the number is so big that it's difficult to talk of this number. So the number of customers will change, the product -- currently running product to the new application product, with the new product is what we are going to make, okay?

So the existing products -- the percentage of existing product being replaced by the new product is where you will see where and what trajectory this market potential goes. But if you say on a 100% basis is everyone converts to the new product, and it is beyond scope to your supply that kind of volume.

Nirali Gopani: Understood. I understood. And Chintan bhai, we have always been ahead of the curve when it comes to our R&D. So any new product that you would be working in your R&D ends that you would like to talk about, that will be helpful.

Chintan Shah: R&D, there are a number of products that keep going on. And this is one, which I talked to you about which we are very excited to start to set up this plant where we'll have the capacities to make this new agro product for the domestic market. So that is one very exciting thing that we have developed over the last few years. And now we are looking -- very eagerly, we are looking forward to commercialize it.

It is something very new in terms of technology. And surprisingly, it has been working very consistently up to the pilot, and the samples have been approved, material has been put to use by customers -- number of customers. And things look fine. So now there is no rhyme and reason why we should not go and scale up this opportunity.

Nirali Gopani: Right. Perfect. And just one last question. When we say that the current capacity can take us to INR850 crores, INR900 crores of revenue. Are we being very conservative? Because I feel '24, '25, also we have been seeing this number of INR850 crores, INR900 crores. And after that, also, we have made quite some investment for capacity for backward integration. And these were not good in '24 also.

Chintan Shah: A lot of recent capacity expansions that we have done is most -- a lot of it, okay, most I would say 70% of that has not gone towards capacity expansion. Most of this capex has gone towards utilization expansion. So basically, we have observed a lot of bottlenecks in terms of handling the product, moving the product. As I said, certain missing blocks in production, which we are not able to reuse a byproduct. So we are trying to optimize the profit.

So this -- the last legs of expenses that have gone actually speaking in last 1.5 years, most of it has gone towards optimization in terms of achieving better and better margins. And that is what is going to keep you competitive within the market. And of course, when you are talking of agro in such a difficult market, this is one key area where we cannot ignore.

So most of it has gone, besides capacity expansion, a lot of money we have spent towards optimization, operational excellence kind of thing, you can say. And plus, probably the pricing in any product, you pick any product, chemical product, potentially pricing is at nearly 3- to 4-year low. So we are looking at the numbers from that perspective today. We have 50% growth.

Nirali Gopani: So, Chintan bhai, time and again, we feel -- and across chemical, not only on Tatva that this is a bottom and the prices will not sustain at this level and it should start picking up. When do you actually see that happening?

Chintan Shah: That is one, if someone can answer that question, because this is what we have been -- see, I told just last a couple of questions back that prices are trying to scale up, but not sustain and again fall back. But the good part is, at least, they are not falling down below the current level. So that's a good part.

So I think we have found the bottom, now probably -- and if I look -- I meet number of customers in various segments, right? Because we are catering to a lot of different segments within the chemical industry, right from automotives, agro, pharma, polymers. And this gives me a very large spectrum of views what people feel.

And if I put it very shortly, we feel that probably next, I mean the second half of 2027, is where people feel that we will really see things to start to change. But the kind of geopolitical situations that keep coming up, the number of factors, which are currently impacting globally.

So that is what makes things a little difficult or I don't know what, but yes, they definitely would have impact on the global economy for sure. But despite of this, we are excited with what we have done, what is there on the plate for us, and we are not stopping with any of our ongoing plans.

Moderator: Thank you. Our next question is from the line of Mohit Jain from Xponent Tribe. Please go ahead.

Mohit Jain: Hi, sir. Just a couple of questions. Firstly, on the SDA piece, Euro 7 norms are obviously kicking in Jan '27, if I remember correctly, right? So has the inquiry from the customer started coming for Euro? Do you expect even...

Chintan Shah: Not the inquiries, we have started already. We have a part of our business coming from the Euro 7 demands already. We are commercially selling products, which will go into Euro 7 converters.

Mohit Jain: Right, right. But the scale of procurement from customers, is it expected to pick up further from next year onwards or...

Chintan Shah: Yes. It will, it will. Yes.

Mohit Jain: Understood. So we've done about INR150 crores...

Chintan Shah: And this is still getting only into Europe. And so eventually, it will get into US, China, India. So this is going to continue to grow for next 4 years, '27 to 2030 is when eventually globally we'll move to Euro 7.

Mohit Jain: Understood. But usually, what happens is, sir, whenever this regulation change, there is a very big demand surge that one sees just before the regulation comes in, right? So one would expect at least next year to be fairly strong as far as SDA is concerned for this calendar year for that matter?

Chintan Shah: That is what we foresee as well. And it's not that this is going to be like a surge in demand because norms are changing. Basically, if you want to understand what is happening, going from Euro 6 to Euro 7 is norms are becoming a little more stringent. And nothing is changing except for the size of the catalyst required, the quantum of the catalyst required to achieve the desired purity of the emission gases.

So even if you continue to sell same number of vehicles, your demand is going to spike up. So it's not kind of a phenomena where you see that this is a surge in demand, which will subside, but once it goes to a certain scale, it will continue to remain there.

Mohit Jain: Understood. So sir, we've done about INR150 crores in SDA for 9 months. Now given -- we had also spoken about onboarding a fairly large customer who we were doing trials with -- in SDA, which was supposed to scale up from this calendar year. What is the growth that we can expect in this segment for this year, sir?

Chintan Shah: I think, 25% to 30% is what I foresee. It depends again on the commercialization with -- we have onboarded two customers, actually. So one, we are into stages of final signing of the contract. So they should start commercial supplies from 4 months, or somewhere around August is when we start invoicing to the customer.

And the other customer is still the final negotiations part is going on. So that also we'll see in the second half of the current calendar year to get into commercialization. So the next financial year, we see is quite exciting for this aspect.

Mohit Jain: Understood. And what is our capacity utilization currently, sir, in SDA?

Chintan Shah: It's now roughly about 50% today, it had gone down 35, now it's roughly about 55. So we have enough capacities to go on without any further capex as of now at this stage.

Mohit Jain: Okay. And the momentum for SDA continues in Q4 as well, right? As we speak, you're not seeing any difference in the trend of growth?

Chintan Shah: Yes.

Mohit Jain: Okay. Okay. So that's one SDA, sir. On the PASC segment, you've spoken about two agro intermediates, which was supposed to scale up from Q3. Would be good to get an update from you as to how are you seeing those two intermediate scale up? Because you've spoken a fairly large opportunity size here? So can you please give us an update on that?

Chintan Shah: Yes. Both have gone very nicely. And the new block, which becomes available to us during this February, next month. So this is where it will give us a lot of leverage in terms of -- right now, whatever we are producing, we are with a little delay. So even with a smaller demand, a part of the forecasted demand also, we are struggling to fulfill because of insufficient infrastructure in place.

With the new block coming up online, and then we have that opportunity of growth. So we will see that grow definitely, as I said, 2027 calendar year looks exciting for the customers and we expect to have. And things have gone precisely as what we have envisaged in terms of success of the technology, in terms of acceptance of the product by the customer.

And we also see with this bottleneck being removed, we'll have a strong impact in being globally competitive even in this stage. So that is going to be a big leverage we can use to scale up this business later on.

Mohit Jain: Understood. And including the pharma intermediate, sir, can we do about additional INR200 crores of sales from -- in this segment in financial year '27?

Chintan Shah: Not in '27, no. By '28, we may; but '27, definitely not because they expect to complete their validations within 2026. And then the ramp-up will begin in terms of commercialization. So I don't believe '27 will be that year of INR200 crores from this product. We anticipate about INR150 crores from 2028 calendar year, I assume.

Mohit Jain: Okay. And these new products, both in Pharma & Agro, how much are they expected to contribute only this new product intermediates from in '27?

Chintan Shah: Roughly about INR300 crores. INR250 crores to INR300 crores.

Mohit Jain: No, no, sir, sorry, I may have misunderstood this. So we have three Agro intermediates and 3 Pharma intermediates. Is that -- is my understanding correct here, first, that are coming up?

Chintan Shah: Correct. Right.

Mohit Jain: And after these get commercialized, I mean, obviously, some of them start in mid-Feb, but FY -- in FY '27, from the six intermediates, are we expecting additional INR200 crores to INR250 crores of sales? Is that what you're hinting at?

Chintan Shah: Yes. Exactly that is what I am talking about. Yes.

Mohit Jain: Okay. And this is on top of the...

Chintan Shah: Sir, you already are seeing some of the sales, okay? So it's not going from zero to that. We may already have INR25 crores, INR30 crores, INR40 crores of sales that is recorded and -- in the current financial year. So what I'm saying, potentially, this will hit somewhere about INR200 crores, INR250 crores in revenue in calendar year 2027.

Mohit Jain: In calendar year 2027? Okay, calendar year. Got it. Got it.

Moderator: Thank you. Our next question is from the line of Jay Vaghasia, an Individual Investor. Please go ahead.

Jay Vaghasia: Yes. Hello, Chintan bhai. Thanks for the opportunity. So my first question is regarding ROCE. So even at 55% to 60% utilization in SDA, our ROCE is around 7%. So unless the prices increase even at 80% to 90% utilization levels, our ROCE would at most go towards 10% to 12%. So is this understanding correct?

Chintan Shah: No. It's not correct. Because it's only this part, there is also a part of the plant which is having reactor. So the conventional process and the continuous flow. So there all gradually the occupancy is increasing. So that will have an impact in terms of ROCE numbers. So it's not going to be this 7% or 10% in terms of number for next financial year.

Jay Vaghasia: Okay. Okay. And secondly, you already mentioned...

Chintan Shah: Considering the prices remains at the same levels. Considering -- even still considering the prices continue to remain so low even in the next financial year, yes.

Jay Vaghasia: Right, right. And Chintan bhai in previous con-calls, you have already mentioned that the newer products will be lower in asset terms. But are you confident that they'll be more or less, then make up by higher margins, margins similar to SDA?

Chintan Shah: More or less. Yes. In terms of gross profit margins. And that is the beauty of the new technology, right? So you end up benefiting in terms of nearly zero waste, so your major part of affluent costs and destruction of that affluent goes away.

Secondly, you have product, desired product in larger percentage compared to the byproducts. So these are some benefits which accrue. So despite of capex is one-time that you do, but eventually, you will have a recurring benefit coming out of it, plus operational easiness, you've seen that because your footprint is much smaller because you need less reactors to do the same chemistry. So you are occupying lesser ground space, so to say, your footprint is smaller. So a lot of benefits from this new technology. So we expect, we will have...

Jay Vaghasia: So put the numbers, so we can have more or less margins similar to SDA. Is that what you are saying?

Chintan Shah: Correct.

Jay Vaghasia: Right. And last question will be, Chintan bhai, last con-call, you mentioned that PASC is already running at around 80% to 90% capacity. So is it fair enough to expect that all the newer products will be moving to the Jolva site once it is fully commissioned?

Chintan Shah: No. So we have this new block, which is being available to us. So that will be something additional, which removes the bottleneck of our existing plant. So that will free up a lot of space in the existing plant. So whatever is commercialized so far continues to remain in Dahej, and it will have some space to grow further, as I said, about INR850 crores, INR900 crores, depending on the product mix what we do.

So we expect this can go up to INR850 crores, INR900 crores in revenue from the existing plant. And then Jolva, we are talking of completely a new set of agro product and also expansion of our current existing products. But largely, the capex goes towards the new product.

Jay Vaghasia: Okay. So INR850 crores to INR900 crores...

Chintan Shah: It will be completely different. It will have nothing to do in common with our existing Dahej plant to say, as far as the new product is concerned. Because those products we don't have space and infrastructure to make in our Dahej site as of today.

Jay Vaghasia: Right, right. So this INR850 crores to INR900 crores that you are saying that is combined PASC, SDA, electrolyte as well as PTC, correct?

Chintan Shah: Right.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to management for closing comments.

Ajesh Pillai: Thanks. On behalf of Tatva Chintan, thank you for joining us on today's earnings call. We trust that we have addressed most of your questions during the discussion. Should you require any further clarification, please feel free to reach out, and we will be happy to connect offline. Thank you.

Moderator: Ladies and gentlemen, on behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.