



Tatva Chintan Pharma Chem Limited

(CIN:L24232GJ1996PLC029894)



Date: 04 November 2025

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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 31 October 2025 post announcement of financial results of the Company for the quarter and half year ended 30 September 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 Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Encl.: As above



“Tatva Chintan Pharma Chem Limited
Q2 FY '26 Earnings Conference Call”
October 31, 2025



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 the Tatva Chintan Pharma Chem Limited Q2 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, please signal an operator by pressing star then zero on a touchtone telephone. Please note this conference is being recorded.

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

Sanjesh Jain:

Good evening, everyone. Thank you for joining on for Tatva Chintan Pharma Chem Limited Q2 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 a Q&A session. Over to you, Dinesh.

Dinesh Sodani:

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 ended September 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 started -- shared on both the Stock Exchanges, NSE and BSE.

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

Ajesh Pillai:

Thank you, Dineshji. Good evening, everyone. Welcome to the quarter 2 financial year 2026 earnings call of Tatva Chintan Pharma Chem Limited. The financial results for the quarter have been submitted to the Stock Exchanges and are also available on our corporate website.

I'll take you through the key financial highlights and a brief overview of the performance across our major segments for the quarter.

For Q2 financial year 2026, Tatva Chintan reported operating revenue of INR1,235 million, reflecting a 48% year-on-year growth and a 6% sequential increase.

EBITDA stood at INR222 million, representing a 298% growth year-on-year and a 28% improvement over the previous quarter, supported by improved product mix and better operating leverage.

Now moving to segment-wise performance:

Phase Transfer Catalysts contributed INR293 million in revenue, a 1% growth quarter-on-quarter and 7% increase year-on-year.

Electrolyte Salts achieved INR12 million in revenue, recording a 47% growth sequentially and a 5% decline year-on-year.

Pharma, Agro and Specialty Chemicals delivered INR324 million in revenue, down 31% sequentially and a growth of 19% year-on-year.

Structure Directing Agents reported INR593 million in revenue, reflecting a 51% growth quarter-on-quarter and a 119% increase year-on-year.

With this overview of the financial and operational performance for the quarter, I now hand over the proceedings to Mr. Dinesh Sodani, General Manager, Accounts and Finance, to take the proceedings forward.

Thank you. Over to you, Dineshji.

Dinesh Sodani:

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

Ajesh Pillai:

Thank you, Dineshji. Once again, good evening, everyone. We are pleased to have you all with us for today's earning call. We hope you had a wonderful festive season, and we wish you all a happy and prosperous New Year. Allow us now to take you through our business outlook for the period ahead.

There is a definite and distinct build-up of cautious optimism within the industry. The destocking phase seems to be clearly over and now there is an onset of restocking phase. Generally, within nearly all the sectors of chemical industry, the optimism of business revival is very much visible. Still geopolitical uncertainties continue to persist and there are uncertainties around the United States reciprocal tariff measures, which continue to be fluid. We are so far fortunate that almost none of our product is subject to any reciprocal duties.

We are pleased to share that our commitments made over the past couple of years are now translating into tangible outcomes. The financial results affirm the effectiveness of our strategic initiatives and sustained efforts undertaken during difficult times.

At our end, our focus remains firmly on capacity building, timely commercialization of upcoming products and continued investment in new product development. The strategies of developing and delivering products using advanced technologies is now set to take us into real trajectory of growth as this is bringing in new development opportunities.

Now, let us guide you through the segment-wise outlook:

Phase Transfer Catalysts:

This segment would continue to have its organic growth, and it continues to grow at a steady pace, and we continue to maintain our leadership position here.

Structure Directing Agents:

In the SDA segment, we are witnessing positive demand trends driven by macro developments in automotive sector. The global slowdown in vehicle electrification, coupled with the upcoming implementation of Euro 7 emission standards is contributing and is expected to continue to contribute to the growth of our business.

We are observing increasing volume offtake. Also, the new customers onboarded within the last few months would start translating into meaningful business from calendar year 2026. We firmly believe that this segment will continue to remain one of the key revenue contributors of the company in the foreseeable future.

Electrolyte Salts:

Both the segments wherein we supply our Electrolyte Salts are gaining significant traction i.e energy storage systems and super capacitors into hybrid batteries for automotive.

We are witnessing very encouraging uptick in demand for customers in energy storage system, and now we are seeing incremental volume growth and consistent business. We expect the volumes to be consistently scaled up in coming quarters.

Additionally, we executed the first small-scale commercial order for extended validation with the customer producing batteries for hybrid vehicles. The feedback received from the customer is highly encouraging. We can now clearly visualize commercialization on these batteries to begin in 2026.

This is an emerging area and where our technological capabilities have provided a distinct competitive advantage. It is indeed one of the segments that the company views as a key pillar for future growth.

Pharma, Agro and Specialty Chemicals:

The uptake of new large-scale agro intermediate, which was scheduled for commercialization in the current quarter has already commenced. Production activities for the other agro intermediates slated for commercialization in the quarter are also progressing as planned. The revenue from both these products will reflect in quarter 3 of current financial year.

On the Pharma front, the validation batches for new intermediates are progressing smoothly, reinforcing our confidence in the growth trajectory of this segment. Commercialization of 3 products are scheduled to begin from December 2025 to second half of 2026. We are working on one more opportunity in this segment.

Validation work for an agro intermediate with significant demand potential in the domestic market is advancing well. We believe this product will emerge as one of the key offerings to be manufactured at our upcoming greenfield facility in Jolva.

Our capabilities in Catalytic Technologies is now being recognized by customers after we have successfully commercialized challenging products. This is bringing us new interesting

opportunities. We are trying to offer innovative catalytic process to customers to make the product cost efficient and also environmentally sustainable.

As we move ahead, this vertical is expected to gain further momentum, supported by our expanding product portfolio, strengthening customer relationships and disciplined executions. We remain focused on translating these opportunities into sustained growth and value creation over the medium to long term.

Semiconductor chemicals. Building on the encouraging progress achieved in the previous quarters, our semiconductor segment continues to move steadily in the right direction. The years of sustained R&D efforts towards developing ultra-high purity chemicals are now translating into meaningful traction with global customers.

We have successfully completed additional pilot scale deliveries, reaffirming the consistency and robustness of our process. The customer has now requested us to deliver material from plant scale price. This is a huge progress and very satisfying for our team to see fruitful results after years of hard work.

We are implementing necessary changes at plant scale to be able to deliver three commercial scale batches with ultra-high purity for semiconductor application. Our target is to deliver this commercial batches in quarter 4 of current financial year.

We have completed lab work on two other products and have taken them up into pilot scale. Following these positive outcomes, we have received further opportunities to work on advanced materials for the same customer as well as interest from few other leading players in semiconductor ecosystem.

While the journey towards full-scale commercialization will be gradual, passing through successive validation and scale-up stages, we remain confident that these developments will culminate in very meaningful business within 2 to 3 years.

As we look ahead, we see our business gaining steady momentum across all major segments. The consistent progress in SDA, energy storage materials, agro and pharma intermediates and our emerging innovation-led initiatives reaffirms the strength of our diversified portfolio and the depth of our technological expertise.

The work of our new plant block is progressing well as per schedule, and it will be available for commercial production from January 2026. With availability of this facility, we will overcome many bottlenecks which we have in production of the newly commercialized agro and pharma intermediates. This will meaningfully optimize our production and help in smoothening the operation and achieving the desired volumes in more cost-efficient ways.

Our continuous -- continued focus remains on disciplined execution, operational excellence and customer-centric innovation, the pillars that have driven our growth thus far and will continue to guide us in the quarters to come. We would like to express our sincere appreciation to all our stakeholders, business partners and employees for their unwavering commitment and support.

Together, we are building a stronger and more resilient organization, which is well recognized by customers to be capable to deliver on challenging opportunities. We are well positioned to capitalize on the opportunities that lie ahead and deliver sustainable value for all our stakeholders.

With this, I conclude this outlook. Thank you, and I shall now request moderator to open the floor for question-and-answer session, which will be attended by our Managing Director, Mr. Chintan Shah.

Moderator:

The first question is in the line of Sudarshan Padmanabhan from ASK - NDPMS

Sudarshan Padmanabhan: So I see very good traction in the SDA segment after several quarters of pain. I remember that there has been continuous price decline in this segment, which was haunting us both on the gross margins as well as the SDA. Now when we see the growth, I mean, it seems to be very strong both on quarter-on-quarter as well as year-on-year.

Show some color on how do we see the pricing? Is the worst over? And in terms of volume, I mean, we talked about this BS6 implementation. That is primarily going to drive incremental growth. So how do we see both of this in the context of the margins, which has also improved in this quarter?

Chintan Shah:

To address your question in multiple parts, so let us first address what we foresee as the volumes for this segment. So, we definitely see a strong uptick in volumes over the coming quarters. And there still is a very long way to go in terms of incremental volumes. This is very clear, and this will be visible from 2026 when meaningful onboard of the new customers happen so that will give us a definitive very strong volume growth in this segment.

Part two of the question is pricing. We definitely see there is an uptick in raw material pricing that has started to happen. I mean this is what I have been observing since last couple of weeks that steadily prices are rising a few cents a kg kind of a thing and this is for all the solvents and ancillary stuff.

Still key raw material prices has not moved up anywhere but I'm expecting now we are at the bottom of the pricing cycle, and we will see an uptick in terms of pricing. And as soon as the RM prices start to move up, of course, the finished product prices will move simultaneously. So that will also add on to your EBITDA margins in a way.

Thirdly, as the plant is becoming more and more occupied, the occupancy of the plant is directly correlating with the EBITDA margins. As I'd said, a lot of costs were going unabsorbed. Now with the plant being occupied, nearly full occupancy is what we are seeing. Of course, still SDA plant, we do have certain leverage still pending. But generally speaking, plant is now quite busy and that is what is now reflecting EBITDA margins.

And we will see still the occupancy is going up, the volumes are driving up. And I see that over next 2 quarters, eventually plant is going to be fully occupied and that is when we will actually strike the right EBITDA margins, which I have been always claiming to be in the range of 20% to 22%. And that is what we expect to happen over the next 2 quarters.

Sudarshan Padmanabhan: What is the current utilization, sir, across plants?

Chintan Shah: So on SDA side, still our plant is nearly only 50% occupied. And on the other part of the plant is nearly about 80% occupancy.

Sudarshan Padmanabhan: And even the gross margins primarily will continue because the FDA is going to be the growth driver, which will have a significantly better margin going forward.

Chintan Shah: Correct. And also in some of the PASC segment products where as Ajesh talked about it briefly in the speech, we have certain bottlenecks because of lack of certain amenities available in the plant. So that is why we are compromising in some of the processes, not recovering some of the products which we could recover and reuse.

So because of certain gaps in the plant, we are definitely compromising on the EBITDA on the PASC segment. But with availability of new plant happening in January, we expect this also to turn around. So that will also reflect positively on the EBITDA margins.

Sudarshan Padmanabhan: Sure, sir. So one final thing before I join back the queue is we have this large opportunity with the agrochemical player, supplies where we have created the process to go green chemistry route. If you can give some color with respect to how do we see the traction? I mean, I'm not necessarily talking about, say, the next 1 quarter or so, but say, the next 2 to 3 years because opportunity size is large, we are differentiated in that sense.

Chintan Shah: Yes. So this is our first supply, commercial supply, technically first supply will happen in Q3. So the materials have been dispatched from India, but still it will be delivered to the customer now, probably beginning or mid of November is when we'll deliver the first shipment to the customer.

So of course, we'll see maybe 6 months is where we are also mastering the technology kind of, our team is getting acclimatized with this new process. It's a multistage chemistry what we are handling, something which we have never done in the past. So there have been so many challenges which gradually we are overcoming.

And with this expertise gradually building, we'll be more confident and then we can ask for the realistic volumes from the customer because we don't want to sit on orders which we cannot deliver. So we expect that this turnaround to happen from June onwards when we'll start seeing scaling up volumes.

But still I'm very happy with the volumes that we are catering as of now. Considering the difficult times in the agro industry, some of the products are under challenges. One of these products where volume constraints are there is this particular agro intermediate. But despite of those challenges with our new innovative process, we are seeing some upper hand, and that is what is getting us some decent volumes what we expect.

So we expect a phenomenal year in 2027, calendar year is going to be awesome where probably the new capacities will also be fully optimized. So, what we'll see in terms of volume in current

financial year, we expect to nearly 1.5x volume in next financial year. And then again, 1.5x of that volume in the third financial year. So that is what we expect out of this agro products.

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

Nirali Gopani: Thanks for the opportunity and congratulations on a very good set of result. So, my first question on SDA. So, is there some pent-up demand here? And how is the China demand picking up for SDA? Because initially before we saw this downturn, China was 40% of the SDA revenue. So how are things improving there?

Chintan Shah: China, we have still not seen much demand, very small volume is what we have seen, but practically negligible. So, I would say it is still non-existent in terms of China demand, but rest of the world is. So probably China is more focused on the light commercial vehicles going towards EV, but rest of the world, the demand is picking up.

Probably rest of the world is now concentrating more on non-EV vehicles or hybrid vehicles, and that is what we feel. This is just what we talk to customers, but no one has really a very honest answer. But the feeling is that the push is towards more of hybrid or conventional vehicles rather than going towards more of EV, full EV.

So maybe this is what is pushing the demand up. And again, the Euro 7 norms coming into force from next year. So that is what is also causing the demand to push up. So we are seeing the demand from the new molecules, which have applications in the Euro 7, and that is also the volumes are building up. So that is all new demand that is being created.

Nirali Gopani: And sir, on this Electrolyte Salt also, we were expecting some INR15 crores, INR20 crores of revenue in this current year and eventually that going up to 10% of total revenue in FY '27. Do we see that happening or there will be some delay?

Chintan Shah: I honestly feel that will happen. So, we will touch base somewhere in the range of INR15 crores in terms of revenue from this segment, and this is what I very strongly feel about it. So there are a lot of consistent dispatches that have now begun to these customers.

And so what has been an on and off business has now become a regular supply business. So definitely, the things are moving as what we wish, and we will see that numbers coming up in the next quarter and further down more quarter. So we'll see those numbers piling up in Q3.

Nirali Gopani: Okay. Next on this pharma and agro intermediate. So if I understand correctly and correct me if I'm wrong, so we are doing 4 of each, right, 4 of agro and 4 of pharma, and that should all reach to their full potential in the next 2, 3 years. So collectively, what kind of revenue can these 7, 8 molecules give us?

Chintan Shah: So of course, the potential is very high for this product. But what we can chew potentially is roughly, I would put as a ballpark number in the range of about INR300 crores to INR350 crores at a full scale...

And couple of these products have very large scalability. But we will see, I mean, as time comes because then it will involve more capex and stuff like that. So this of course, 2 of these agro products are hugely scalable. So as and when time and opportunity, we'll look into if we want to run another capex plan for those products here.

Nirali Gopani:

And lastly Chintan, if you can speak on the semiconductor chemicals, when do we start the commercial supply? And what kind of revenue potentially can this segment have? And will the margins be comparable to what we do in SDAs?

Chintan Shah:

Typically, those margins should be comparable or maybe better than what we do in SDA. And -- but see, there would be on and of commercial trials that would be happening, but real commercialization, I expect to begin from 2028. Maybe end of '27, early 2028 is what we can expect the commercialization to begin.

So we'll see some revenues coming from that, but this would largely mean scaling up from 2-ton batch size to 3 ton batch size going to 5 tons, deploying multiple plant trials from multiple different plants what we have.

So some trials happening at Ankleshwar, some at Dahej, at potentially a new plant, which we intend to build in Jolva. So all those things will keep bringing revenue, but insignificant. But the real commercialization we expect to happen in -- because this is a long -- see the process and any changeover they want in this segment is phenomenally stringent. I mean it's unbelievable. The more I know and understand by meeting with these customers, it is really a scary affair.

So the entry point, I think we have done a very good job so far. So from piloting now, we have a request to go to a full-scale commercial plant trial material. And then the real evaluation of the process and products begins.

So still so far, our facilities have also not been audited by the customer. So once this plant scale material gets approved, then the whole process begins in terms of how to validate customer as a potential source in the semiconductor space.

Nirali Gopani:

Just one last clarification Chintan, this SDA revenue, INR59 crores, INR60 crores that we saw in this quarter, you won't see anything as one-off, right? So there should be this consistent number from here on and gradual growth, right? Yes.

Chintan Shah:

Yes. But see, as I have been repeatedly telling, these are kind of campaign-based products. So more or less, we will see these kind of numbers. But product-wise, the demands will go up and go down. The numbers may fluctuate a bit here and there.

But largely speaking, this is what we expect to continue and improve from here on when we have meaningful onboarding of the new 2 or 3 customers that are coming on board from 2026. So that will have much, much, much better revenue potential than what we are already doing.

Moderator:

The next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain:

Thanks, Chintan for taking my questions. I got a few of them. First, purely on the PASC side, this quarter, we didn't see much improvement in the revenue. How should we see it in the second half? And we spoke about four agrochemical and three pharma products. If you can help us how many of them will get commercialized in the second half and how many will come in CY '26?

Chintan Shah:

All four products we will see in CY '26, but these are the two large products which we have now commercialized. So the rest two are already commercialized, but smaller in terms of volumes and campaign based. So that is why it is reflecting here on the numbers.

Though the PASC segment number looks smaller, but actually, the productivity has been better. But these have been exported, but still not yet recorded into sales. So that is why the numbers look like. So the plant occupancy by PASC is very high, but the numbers being reflected here is proportionately much lower.

So now, to give you the real picture, last quarter, I think our goods in transit was INR16 crores-INR17 crores. And this quarter, it is about INR26 crores. So that is what is the goods in transit as of now which largely speaking, most of it is the PASC segment.

Sanjesh Jain:

Got it. To that extent, that means the cost also has factored a lot bigger manufacturing cost, while the revenue recognition got postponed to next quarter. Is that the right understanding?

Chintan Shah:

No. But the cost also gets postponed because we proportionately have to -- I don't know the terminology, but -- what we call it -- we have to reverse the cost proportionately. So what we see on this is the actual cost that we have incurred for the sales, which is recorded.

Sanjesh Jain:

And talking about the Pharma 3 product, which we have been speaking about, any update there?

Chintan Shah:

So we have one small campaign, which is ongoing right now for one of the product. And for our second product, we will have a little larger campaign that will happen. So this is basically now going into final stages of validation. So we will see some revenue for the pharma segment happening in Q3. So we are currently running one product on a small campaign basis, roughly INR2 crores, INR3 crores kind of an order.

Then we have another INR12 crores, INR13 crores of order, which we will run during December to January time frame. So that is for a second product. So -- but this is still not a commercial sale. This is only going from various stages of validation. Now we are validated, but what is now being validated is the final stage of the chain. So this all process will continue till June, and then we'll see actual commercialization to begin.

Sanjesh Jain:

Are we now reflecting in the DMF filing?

Chintan Shah:

That will happen. So by June, that will happen.

Sanjesh Jain:

Okay. That is also still pending in that?

Chintan Shah:

Yes. So final validation happens, and then it will all be going to the dossiers. Yes.

Sanjesh Jain:

One last question on agrochemical. We were working on photochlorination. That has a...

Chintan Shah: Yes. So that is going on. So now we have started that product, and that also we will see the sales. So that is one agro product and the second one is coming from the photochlorination segment. So both these will start recording revenues from Q3.

Sanjesh Jain: Q3. Both the productions have started?

Chintan Shah: Started, yes.

Sanjesh Jain: Second, on the electronic chemical, we remain optimistic. We were looking at this segment trapping a revenue of INR20 crore, INR25 crores plus. Do you still believe that's possible in FY '27? Because the run rate still doesn't show any traction at least in this quarter.

Chintan Shah: You are talking of electronic chemical or electrolyte... you are talking of electrolytes?

Sanjesh Jain: Electrolytes.

Chintan Shah: Yes, yes, that will absolutely happen in next year. There is no doubt about that. Energy storage is now fully commercialized and now the customer is also scaling up, so volumes are going up. Now we have regular dispatches that happen kind of a weekly basis, dispatches are happening.

And we see onboarding commercialization of the hybrid battery customer as well, but that will happen somewhere in mid of 2026 to take up commercial volumes. So yes, so I don't see there is any challenge in achieving what I have already proclaimed that we'll do that. So that number is now very well in sight, and we are firmly grounded that we will achieve this.

Sanjesh Jain: Got it. And we were looking for more products there, right, in electrolyte in the ESS system?

Chintan Shah: We are. So we did send one consignment, so that is from plant-scale trial. But that unfortunately, right now, that product is falling under the Trump tariff, the reciprocal duties. So of course, commercialization will not happen immediately unless and until there is some reversal because it is impacting nearly 50% in terms of additional tariff, this product, the new product which you are talking about which goes into battery.

But that is susceptible to the Trump tariff. So that may delay the commercialization, real commercialization may be delayed. But we convinced the customer, don't stop the process, at least go into full-scale validation. So once you are validated as soon as the duty is reversed, then we can start talking of actual results.

Sanjesh Jain: Now that we have predominantly very close to the commercialization of the product we were talking for last three years, assuming in CY '26, most of it will get commercialized. Then beyond '26, how are we looking at the product pipeline? Because we have just spoken about all the products and they look like bunching up and coming up in second half of this year, financial year and next full year. How should we look at the growth profile starting FY '28?

Chintan Shah: So, Ajesh did talk about one validation progressing very smoothly for a product which has large domestic potential. Now the developmental work at our end for that product is complete thorough. So we are designing the plant to suit smooth production for that particular agro intermediate.

So this has a revenue potential to bring as much revenue as what we have today in Tatva. So one single product can bring that kind of a revenue for us. So now we are beginning to design plant at Jolva, and we want to break ground by January, February of 2026 and start building the new plant where we can accommodate this product.

Also besides that, we have two products which will shortly send initial samples to the customer. So both these products, so these are all -- these new two products where we are working are existing agro molecules, large volumes. But the challenge is these products are having multi-step synthesis and the cost are very high.

So we proposed to the customer that we can bring in electrolysis and catalytic technologies, and this is what we can try to do. And that is how we have got both these projects. And we have actually got very good success in terms of initial development plans itself that the products have moved very nicely in R&D.

So we should be sending the first samples before the end of December. And so that -- once it goes through, then that will start creating a very interesting pipeline of these two products also in the new Jolva facility.

And of course, the key focus area where the whole team is right now focused is in building the pipeline for our semiconductor product. So we have 1 product, which I talked about where we want to do plant trials now. And then we have two more products into piloting currently, and then we have 2 new products, which is in the R&D. So that is one pipeline which we are constantly striving to build up.

And with the gradual expertise that we are building in handling all these products and understanding how this can be actually efficiently and correctly delivered and analyzed. And we have overcome all those challenges, so the confidence is very high that we will get through with these products.

But 2 current products which are in pipeline in pilot, these are quite challenging molecules. And so R&D levels, we are very successful. And both these products, we should become the unique supplier globally. So right now, we don't see any competition in both those products. And these are new molecules being developed for application in the Indian semiconductor space.

So they want Make in India product. And fortunately, there is no global competition even in these two products. So we'll see -- but these are not very large molecules, but still revenues ranging in the range of INR50 crores to INR100 crores kind of products. Semiconductor is the space where we are largely focused now. So this is the space where it is a second SDA segment for us. That is how we are focusing on the semiconductor space.

Sanjesh Jain:

But you don't have new product pipeline in the electrolyte part of the business?

Chintan Shah:

Electrolyte, we have but that electrolyte, the battery business, we have 1 another product. Again, that is affected by the Trump duty, but the development work is going on. So I suspect that if the duties even come down to 25%, then we have an opportunity.

But if it stays at 50%, then we don't have the opportunity because the competition is also bringing in the product which is having a import duty of 25%, the Trump duty of 25%. So even if India brings down the Trump duty to 25%, then we are in the game.

Moderator: The next question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited.

Sucrit Patil: I have a forward-looking question. As global competition in specialty chemicals keeps on growing, what is Tatva Chintan doing to build a strong edge, not just by making new products, but by creating something that is for the competitors hard to copy?

Chintan Shah: That is exactly is our philosophy. Your question is exactly our philosophy. What we are doing, see, we had a very good business. We already -- even as of today also, we have a good business on phase transfer catalyst. But technically, making a phase transfer catalyst is very easy. So it's not technology driven. It is a simple organic chemistry, which anyone can replicate.

And that is what happened. So, when we started, we were two companies in India making PTC. And now I believe there are 9 or 10 different companies. So it was so easy to replicate. Then we came up with a technology --we said this is a big challenge. So you do something very hard work and then it is easily copied and replicated, and your next door neighbour start finishing it.

So, we don't want this. That is how we ended up in SDA. And I think we are there since 2015. So we have completed 10 years in this category, and we have not seen one single competition in India coming in.

So same as I feel electrolyte salt space is where we are based right now, and even the semiconductor products that we are doing now. So all these are technology-based products, which are not impossible to replicate, but really very extremely difficult to replicate. And even if someone replicates, then the entry barriers are hugely difficult.

So vast challenge in terms of -- it's a huge entry barrier business. So even if someone replicates the product, still again, the wait is too long to get the commercial entry into the product. So that is where we are focused. So your question is exactly what our philosophy.

Sucrit Patil: I have a follow-up question and the final question to Mr. Pillai. It's on margin and growth. As you scale up, how are you making sure the company stays efficient without losing its specialized focus? And which cost levers do you think will help protect margins over time? Just trying to understand how you are going to balance growth with maintaining your niche strength.

Ajesh Pillai: We are into the kind of products where we have an innovative edge. We'll only take up products when we have an innovative edge, we can contribute in an innovative way to the product. So maintaining enough margin for such kind of products is the kind of philosophy that we follow. So I don't think that would be a challenge.

As of now the things -- because of the -- what we saw in previous quarters because of low sales, we were operating at low efficiency, so with the increase of all those sales and production, our operational efficiency will also be higher.

And with upcoming products also with -- as in our existing products, the upcoming products will also have better margins because of the innovative substance in it and the sustainability that we put into the product.

Moderator:

The next question is from the line of Krishan Parwani from JM Financial.

Krishan Parwani:

Just one question from my side. In first half FY '26, we have a net block of INR480 crore, working capital of close to INR200 crores, almost INR680 crores is our capital employed. On that, you have made EBIT of INR25 crores, which translates to 4% kind of pre-tax ROCE. So why are we making such low return on capital employed?

Chintan Shah:

Yes, because the capital which is employed is now coming into force. Till now the occupancy had been really low, Krishan. And as occupancy goes up, you will see the ROCE also to move in, and also the EBITDA margins. Secondly, if you see the chemistry is now what we'll be doing in terms of agro intermediates or the pharma intermediate. These are all -- each and every of these products are multistage chemistries.

So, what we have been doing with PTCs or SDAs was practically a single-step chemistry. And now, where we are moving into the area is a multistep chemistry. So, the CapEx is quite high. So, what we were seeing in terms of PTC was you 1:3, so you invest INR1, you see a revenue of INR3. Now, what we see is you invest INR1, you see a revenue of INR1 to INR1.5. So that is what is causing you to see that the ROCE is kind of low.

And as the capacities get occupied, so the plant is designed -- for example, the plant is designed to produce 1,000 ton, we are still at 200 tons, and that is what reflects in terms of low ROCE. And as the plant and capacities get fully occupied, you will see the revenue has piled up -- so this plant has a capacity to deliver you a revenue of about INR800 crores, INR850 crores.

And thirdly, the most biggest challenge is in terms of price, so the way the price erosion has happened in last 3 years. Practically, chemical is seeing a price erosion of nearly 25%, 30%. And that is also kind of having a direct impact on the ROCE.

Ajay Patel:

And this quarter, you got the INR22 crores of EBITDA on the INR600 crores. So annualization is INR90 crores and the INR600 crores, which is 15%, not 4%.

Krishan Parwani:

No, no, you are talking about EBITDA. I'm talking about EBIT. ROCE is on EBIT, not on EBITDA. And so, what's your pre-tax ROCE target by FY '27 and FY '28? Let's say, when you want to achieve optimum utilization, what's your pre-tax ROCE target?

Chintan Shah:

So, this plant can deliver us an EBIT. I don't have the exact number for you. But if I say what is the forecast of EBITDA, we can reach up to INR175 crores in terms of EBITDA from this plant. This is what is our goal.

Krishan Parwani:

Okay. No target on the ROCE you have?

Chintan Shah:

Then you calculate it otherwise so that Ajesh can tell you offline what is the ROCE. I don't have the ROCE calculation with me, but this is what he will calculate and give it to you.

- Moderator:** The next question is from the line of Raman from Sequent Investments.
- Raman:** I just have two questions. I just want to understand what are our key raw materials with respect to the SDA segment. Sir, I just want to understand what is our key raw material with respect to the SDA segment?
- Chintan Shah:** There are multiple. So, we -- typically any chemistry starts with variety of amines. So these are all tertiary amines that we have as key raw materials. And there are also specialty amines. So there are certain amines which companies like Alkyl Amines would be making. So, these are all basic products. And then there are advanced amines, which are still no availability from the Indian market. So primarily, the key raw material is tertiary amines and Alkyl halides.
- Raman:** And do we source this from domestically or we import it?
- Chintan Shah:** Only very couple of products are only available domestically. Rest of them are imported.
- Raman:** So, can you give a rough split between your import versus sourcing domestically?
- Chintan Shah:** I think our ratio of import is about 40%, 45%, anywhere between 40%, 45%, is our -- import four content within our product.
- Raman:** And sir, my second question is with respect to the PASC business, pharma and agro chemicals. You said there will be two molecules which will be commercialized in quarter 3. Can you give some highlight, like where are these intermediate used? What are these used for? And what will be the total addressable market?
- Chintan Shah:** These are all agro intermediate what we are talking of, so has applications in herbicide and insecticide. And the one which we -- the last product which we are talking of, the plant that we have set up can deliver us, INR200 crores of revenue from this product which is hugely scalable. But that -- for that, again, we will need another round of capex.
- So that we'll see at a later time what we decide what we want to do. But as of now, what we see in terms of what Tatva can deliver with these existing capacities in place is a INR200 crores revenue from this product.
- Moderator:** The next question is from the line of Veer Vadera from Niveshaay.
- Veer Vadera:** Congratulations for the great set of numbers. So my first question was that the Electrolyte Salts segment targets two distinct niche, which is one sodium ion battery and other is supercapacitor. So how does the company internally view the long-term potential and risk reward profile of these two markets? And also, I wanted to know your views on the lithium-ion battery...
- Chintan Shah:** We are definitely nowhere into the lithium-ion battery business. Neither any of our products has any application in that area. Talking about the energy storage system, I mean, now even then Indian government is insisting to have energy systems in place, if you want to setup solar space. So that is what is happening globally and this market is going to grow immensely.

And we are super -- I mean this is just the beginning kind of trial phase is, trial orders what the customers are executing with individual solar plant -- energy shield. And everyone is announcing huge capacities in this space. But, of course, the availability of battery on the electrolytes is only coming from various resources. And I'm proud to say that we are one of the key source in terms of batteries, electrolytes in energy storage system.

And again, when you say of, hybrid batteries or the supercapacitor batteries, which have applications in auto and multiple other areas. And again globally there are only handful of suppliers and from India we are proud that we are the sole supplier. Of course, this is again seeing a traction is just in the beginning phase and we'll see lot of commercialization going forward.

So these are kind of advanced materials still trying to gain momentum within the market, finding right applications, areas and use areas. And now this is actually getting firm on ground and we will see a real good traction happening from here. So we see 2026 to be the year where we'll see commercialization, slow commercialization of the hybrid batteries to happen.

And we'll see a traction even in that particular space. Right now, we are seeing a lot of movement happening in the energy storage system space. And the similar activity we should see within next one year in the hybrid batteries space.

Veer Vadera: But, sir, as you can, like, maybe provide some specific product scope, like, are we entering into the salt part, the solvent part, or the electrolyte additives? If you can maybe highlight on that part? And also...

Chintan Shah: On the energy storage system side, we are on the salt part. We only deliver the salts. We don't make the solvents. We don't do the additives or, nothing. We are on the salt part, which is the main heart of the battery. On the hybrid side, we are actually delivering the full electrolyte. So we make the salt as well as we convert it to an electrolyte and deliver. So customer has to simply just use it and feed it into their battery. They don't have to do any post processing work.

Veer Vadera: And, if you can maybe provide some highlight on the backward integration on the salt, like, in what scale are we, like, backward integrated? Because maybe from the PTC which we are manufacturing, maybe that can help us?

Chintan Shah: We are fully backward integrated. So we make from stage one. We make PTC, we make SDA, then we make the electrolyte salt, and then we make the electrolyte. So we are completely backward integrated in this space.

Veer Vadera: And if you can maybe, give some color on the, launch time line or the initial capacity, which we have currently and maybe in a couple of years when we end with us, this to become big, like, how big being we on -- being on Tatva side for the capacity in terms of tonnage FX?

Chintan Shah: So your question was unclear. Could you please say it again?

Veer Vadera: Sir, if you can maybe provide some timeline on the launch timeline and initial capacity on this side of things. Like, what would be our capacity currently? And maybe once portion of customer

qualification stays when we clear that. How big or how much time of capacity do we end with that going forward?

Chintan Shah:

Yes. So -- as far as launch is concerned, these are already actually commercialized product, right? We are already having sales in this area. So now it's kind of scaling up at the end of the customer and simultaneously, we are also scaling up. In terms of capacities, what we said as you see, this is just the beginning. This will grow multiple, and that is why this is a separate segment.

See, if you see the revenue in this full quarter, I think it is somewhere around INR1 or INR2 crores, right? Out of total INR125 crores. So it is insignificant as of now. And then what is the reason of showing this as a separate segment -- is we see that individually, it will reflect as an independent segment. It will contribute significant revenues over coming years in this particular space. So that is why it is coming up as a separate segment in our numbers.

Veer Vadera:

And sir, one last question on the PTC side. We have a good pipeline of molecules or intermediates which we are going to come up with. But, if you can maybe give some color on the type of molecules. Are these patented molecules which have CDMO type exclusivity?

Or these are, like, generic molecules where we might compete it on like, cost economic basis? We are sharing in the overall scheme of things, for the total molecule, but whatever the intermediate supply? Are we, like going to be the Tier 1 supplier or exclusive supplier?

And how, because maybe this segment can do around INR300, INR350 crores from the existing set of molecules which we have. But maybe some more color on this -- exclusivity of our market share.

Chintan Shah:

Which segment are you talking about? Is it about Electrolyte Salts? So the products where we are, you are talking of agro-intermediates?

Veer Vadera:

Pharma Intermediates.

Chintan Shah:

So Pharma Intermediates is where we'll have a part in the dossier. Of course, sir, end customer, whoever would be the final consumer for the API, so they would -- they are holding the patent, the MNC company. And then, these are multistage chemistry. So someone makes up to Stage 3, then we make from Stage 4 to Stage 6 is what Tatva makes, then Stage 6 to 9, somebody else make.

So that is how the whole time the API is going. And we are an intermediate part of that whole chain. And this is kind of a dossier product. So, of course, you can say that we will be -- but it would not be that we are in a unique or a single source supplier. There would be a competition in this space also, in a different geography, of course.

So if you have a certain supply chain here in India, simultaneously, the customer would also have a similar supply chain probably, let us say, in China or in Europe and that is how it happens. Of course, we will not be the sole supplier in that whole chain. There would be multiple, but maybe two or three different companies globally offering the same product, not more than that.



Tatva Chintan Pharma Chem Limited
October 31, 2025

Moderator:

Thank you. That was the last question. Ladies and gentlemen, on behalf of the Tatva Chintan Pharma Chem Limited and ICICI Securities Limited, thank you for joining us and you may now disconnect your lines.