



July 6, 2020

The General Manager
Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 500770

The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No.
G Block, Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051
Symbol: TATACHEM

Dear Sir/Madam,

Sub: Disclosure regarding impact of Covid-19 pandemic on the Company's operations

Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Further to our announcement dated June 8, 2020 relating to the impact of the COVID-19 pandemic and the resultant impact on the Company's operations, we wish to provide an update on the estimate of the Company's production and sales performance for the first quarter of FY 2020-21.

Impact on business operations

Tata Chemicals Limited is a global business with manufacturing operations in four continents. The immediate impact of the Covid-19 pandemic with respect to customer and governmental reactions to the crisis have been varied.

The Company's largest site in Mithapur, Gujarat continued to produce Tata Salt with no disruptions and are operating today at higher than normal volumes in order to supply the market with this essential product. The Company produced over 308,000 tonnes of salt, over 25% more than the production in the same period last year. Sales volumes were also higher than this period last year, recording a 42% increase over the sales for the first quarter of FY 2019-20.

As expected, production of soda ash and sodium bicarbonate has started to recover after the initial phases of the lockdown as our customers' own operations recommenced. Soda Ash sales volumes were just over 70% and Sodium bicarbonate sales volumes were 80% of the sales for same period in FY 2019-20. While overall sales performance was better than expected, the Company believes that the sales revenues would be around 85% of the sales revenues for the first quarter of FY 2019-20.

Globally, the sales volumes of soda ash and sodium bicarbonate improved from an estimated 70% of volumes for the first quarter of FY 2019-20, as intimated on June 8, 2020, to finish the quarter at around 75% of the volumes for soda ash and 95% of the volumes for sodium bicarbonate for the first quarter of FY 2019-20. This was primarily driven by the US operation where sales volumes were just over 70% of the comparative period in FY 2019-20. While the US domestic sales volumes held up well against last year, the export markets served by the US operation witnessed a slowdown in part due to Covid-19 restrictions in the markets serviced, with volumes just under 60% of last year.

UK operations did not suffer any significant disruption in production or sales with customer demand remaining at or ahead of last year. In Kenya, while there was no disruption in production related to Covid-19, there were some delays in despatches to customers in India and South-East Asian countries due to a complete or partial lockdown in certain countries. Sales volumes of soda ash from Kenya were above expectation but just under 10% below the sales volumes for same period in FY 2019-20.

TATA CHEMICALS LIMITED

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In India, the Company's two newer operations in Mambattu, Nellore (Andhra Pradesh) and Cuddalore (Tamil Nadu) started limited operation in May 2020 following the relaxation of local restrictions and are currently meeting customer demand in full. Given the scale of their current operations, this would not have material impact on the results of the Company.

All safety protocols related to Covid-19 as advised by the Government are being implemented and observed at the Plants and the Company continues the work-from-home policy for non-site based employees.

Existing contracts/agreements and non-fulfilment of the obligations if any:

The Company at present continues to fulfil its obligations with respect to all the existing contracts and agreements. The Company does not foresee any material impact on account of non-fulfilment of obligation by any party in existing contracts or agreements.

Capital and liquidity

There has been no material change in the Company's liquidity position since it reported the same in its results for the year ended March 31, 2020; a very positive liquidity position in India with no borrowings and sufficient credit lines available. The US operations \$400 million debt facilities for repayment in June and August 2020, were refinanced in June 2020 with new facilities at Valley Holdings Inc. (\$100 million) and Tata Chemicals North America (\$275 million), which resulted in a one-time expense in the quarter of approx. \$5 million.

The Company has also instituted, across all its operations, aggressive and focused cost control programs and a deferment of all, but completely necessary capital expenditure to build up and conserve its already healthy cash position.

You are requested to take the above on record.

Yours faithfully,
For Tata Chemicals Limited

Rajiv Chandan
General Counsel & Company Secretary