Retail Equity Research

GEOJIT
PEOPLE YOU PROSPER WITH

Company Update

Tata Chemicals Limited

ACCUMULATE

Sector: Chemicals

24th December, 2025

Key Changes	Target ▼	Rating ▲	Earnings ▼		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	TTCH:IN	85,525	TATACHEM	500770	12 Months

Target	**Rs. 876**
CMP	**Rs. 777**
Return	**+13%**

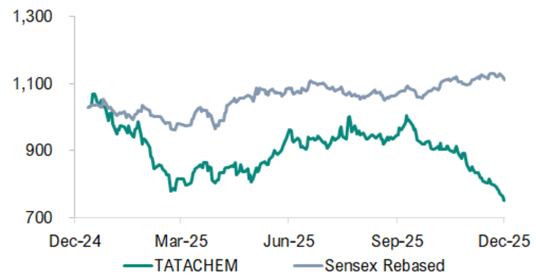
Data as of: 23-12-2025, 17:00 hrs

Company Data	
Market Cap (Rs. cr)	19,786
52 Week High — Low (Rs.)	1,107 - 745
Enterprise Value (Rs. cr)	26,719
Outstanding Shares (cr)	25.5
Free Float (%)	61.2
Dividend Yield (%)	1.4
6m average volume (cr)	0.1
Beta	1.2
Face value (Rs.)	10.0

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	38.0	38.0	38.0
FII's	13.3	12.8	13.7
MFs/Institutions	22.0	22.6	22.2
Public	24.8	24.8	24.2
Others	1.9	1.7	1.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-19.1%	-14.2%	-25.0%
Absolute Sensex	4.2%	4.5%	9.0%
Relative Return	-23.4%	-18.7%	-33.9%

***over or under performance to benchmark index**



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	14,887	15,383	16,447
Growth (%)	*-3.5*	*3.3*	*6.9*
EBITDA	1,953	2,330	2,675
EBITDA Margin (%)	*13.1*	*15.1*	*16.3*
PAT Adjusted	327	622	858
Growth (%)	*-71.4*	*90.3*	*37.9*
Adjusted EPS	12.8	24.4	33.7
Growth (%)	*-71.4*	*90.3*	*37.9*
P/E	67.4	31.8	23.1
P/B	1.0	0.9	0.9
EV/EBITDA	14.7	11.5	10.1
ROE (%)	*1.5*	*2.8*	*3.8*
D/E	0.3	0.3	0.3

Market downturn impacts…

Tata Chemicals Ltd (TCL) is the world's third-largest producer of soda ash, with manufacturing plants in Asia, Europe, Africa and North America. It also has a strong focus on the consumer, agri and specialty businesses.

- TCL's consolidated revenue decreased a marginal 3.1% YoY to Rs. 3,877cr in Q2FY25 owing to reconfiguration of its business in the United Kingdom (UK) and subdued market conditions.
- Consolidated volume (including soda ash, bicarb and salt) rose to 1,355 kt in Q2FY26 from 1,317 kt in Q2FY25. However, overall average realisation price declined on a YoY basis.
- Revenue of its India business rose to Rs. 1,204cr, up 19.3% YoY due to higher volume and operational efficiency. Revenue from other regions declined YoY owing to one-time expenses, lower volume and prices.
- Revenue from the basic chemistry product segment fell 2.0% YoY to Rs. 2,979cr.
- TCL's EBITDA declined 13.1% YoY to Rs. 537cr, with margin shrinking 160bps YoY to 13.9% due to the lower realisation.
- As a result, reported profit after tax dropped a 42.3% YoY to Rs. 154cr.

Outlook & Valuation

The company's performance during the quarter was disappointing, due to unfavorable market conditions. Its key segments underperformed, impacted by weak demand for its products across regions, except for India. However, the European business has shown encouraging margin improvement, driven by a favorable product mix. The company expects this momentum to continue, with the business poised to achieve profitability in the near future. Furthermore, the company's prudent capital expenditure investments in expanding its Indian capacity are expected to support future growth. With demand for its products expected to remain robust in the Indian market, the company is well-positioned to capitalise on this trend. Therefore, **we upgrade our rating on the stock to ACCUMULATE with a revised target price of Rs. 876, based on 26x FY27E adjusted EPS.**

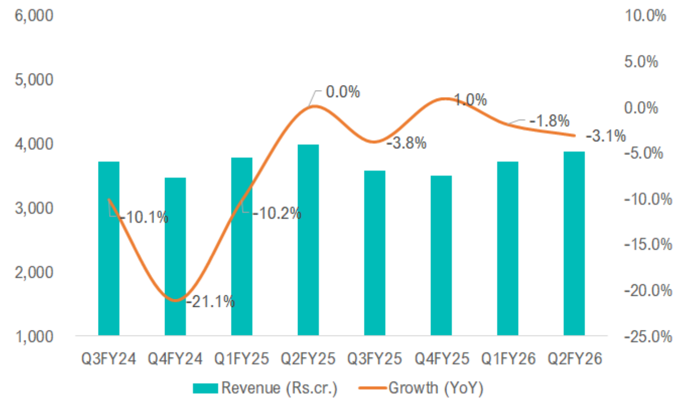
Quarterly Finance Consolidated

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	3,877	3,999	*-3.1*	3,719	*4.2*	7,596	7,788	*-2.5*
EBITDA	537	618	*-13.1*	649	*-17.3*	1,186	1,192	*-0.5*
Margin (%)	*13.9*	*15.5*	*-160bps*	*17.5*	*-360bps*	*15.6*	*15.3*	*30bps*
EBIT	252	341	*-26.1*	369	*-31.7*	621	642	*-3.3*
PBT	236	348	*-32.2*	360	*-34.4*	596	617	*-3.4*
Rep. PAT	154	267	*-42.3*	316	*-51.3*	470	442	*6.3*
Adj PAT	142	194	*-26.8*	252	*-43.7*	394	344	*14.5*
Adj. EPS (Rs)	5.6	7.6	*-26.8*	9.9	*-43.7*	15.5	13.5	*14.5*

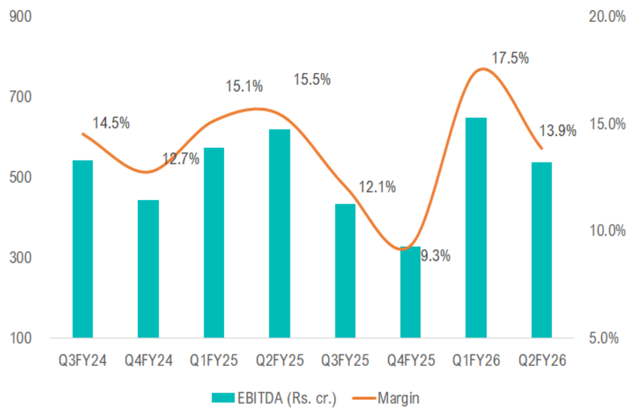
Key concall highlights

- United States operations were affected by lower export volumes and prices, although domestic sales were stable. The EBITDA decline was attributed to a change in the mix of domestic and international sales. The company expects the numbers to improve in the coming quarter.
- India operations performed well, driven by higher volume and operational efficiency. Unit margins in India fell sequentially due to higher volumes but lower prices. The company expects prices to stabilise and volumes to continue to track up.
- The UK business is expected to turn positive by Q4FY26, driven by the completion of the reconfiguration process and a focus on value-added, non-cyclical products.
- Debt has increased in H1 compared with March ending, primarily due to a currency impact of Rs. 250 crore and higher inventory levels. Some of the inventory-related debt may normalise in H2, but the currency impact is uncertain.
- In H1FY26, revenue from operations stood at Rs. 7,596cr, a 2% decline from H1FY25 due to pricing pressure across all regions and lower sales volumes, except in India.

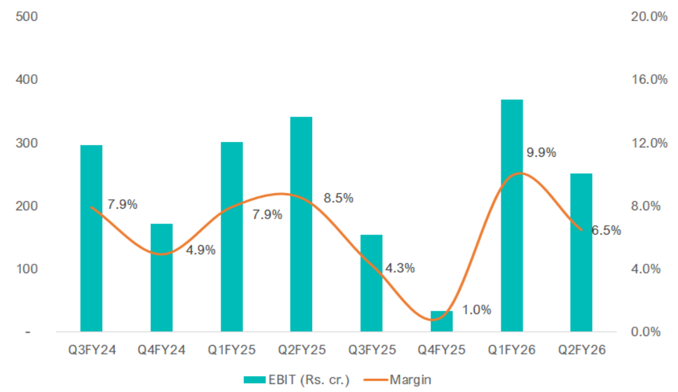
Revenue



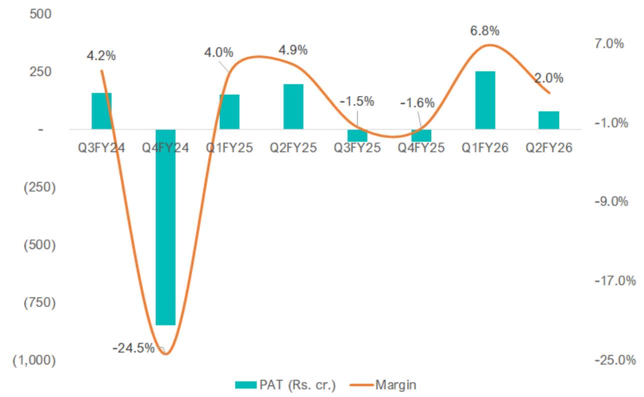
EBITDA



EBIT



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY26E**	**FY27E**	**FY26E**	**FY27E**	**FY26E**	**FY27E**
Revenue	15,685	16,774	15,383	16,447	*-1.9*	*-1.9*
EBITDA	2,250	2,709	2,330	2,675	*3.5*	*-1.2*
Margins (%)	*14.3*	*16.2*	*15.1*	*16.3*	*80bps*	*10bps*
Adj. PAT	530	895	622	858	*17.4*	*-4.1*
EPS	20.8	35.1	24.4	33.7	*17.3*	*-4.0*

Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	**16,789**	**15,421**	**14,887**	**15,383**	**16,447**
% change	*33.0*	*-8.1*	*-3.5*	*3.3*	*6.9*
EBITDA	**3,822**	**2,847**	**1,953**	**2,330**	**2,675**
% change	*65.8*	*-25.5*	*-31.4*	*19.3*	*14.8*
Depreciation	892	980	1,123	1,192	1,236
EBIT	**2,930**	**1,867**	**830**	**1,138**	**1,439**
Interest	406	530	563	572	599
Other Income	216	-507	254	781	843
PBT	**2,740**	**830**	**521**	**1,346**	**1,683**
% change	*64.4*	*-69.7*	*-37.2*	*158.4*	*25.0*
Tax	288	381	167	432	540
Tax Rate (%)	*10.5*	*45.9*	*32.1*	*32.1*	*32.1*
Reported PAT	**2,452**	**449**	**354**	**915**	**1,144**
PAT att. to common shareholders	**2,317**	**268**	**235**	**622**	**858**
Adj.*	18	875	92	-	-
Adj. PAT	**2,335**	**1,143**	**327**	**622**	**858**
% change	*86.3*	*-51.0*	*-71.4*	*90.3*	*37.9*
No. of shares (cr)	25.5	25.5	25.5	25.5	25.5
Adj EPS (Rs.)	**91.7**	**44.9**	**12.8**	**24.4**	**33.7**
% change	*86.3*	*-51.0*	*-71.4*	*90.3*	*37.9*
DPS (Rs.)	17.5	15.0	11.0	4.9	6.7

Balance Sheet

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	665	645	615	635	700
Accts. Receivable	2,627	1,900	1,900	1,969	2,122
Inventories	2,532	2,524	2,558	2,647	2,833
Other Cur. Assets	2,340	1,298	1,647	1,695	1,621
Investments	6,230	9,176	8,389	9,721	10,639
Gross Fixed Assets	**10,539**	**12,706**	**15,191**	**16,037**	**16,942**
Net Fixed Assets	6,569	7,262	8,794	8,260	7,475
CWIP	2,351	2,165	1,879	1,898	1,917
Intangible Assets	10,530	10,599	10,790	10,960	11,394
Def. Tax -Net	144	45	30		
Other Assets	1,096	1,142	1,178	1,158	1,147
Total Assets	**35,084**	**36,756**	**37,780**	**38,943**	**39,848**
Current Liabilities	4,361	3,889	4,001	4,112	4,345
Provisions	1,454	1,465	1,363	1,295	1,230
Debt Funds	6,083	5,064	6,304	6,369	6,511
Other Liabilities	2,544	3,224	3,611	3,875	3,498
Equity Capital	255	255	255	255	255
Res. & Surplus	19,466	21,986	21,339	21,837	22,523
Shareholder Funds	**19,721**	**22,241**	**21,594**	**22,092**	**22,778**
Minority Interest	921	873	907	1,200	1,486
Total Liabilities	**35,084**	**36,756**	**37,780**	**38,943**	**39,848**
BVPS	774	873	848	867	894

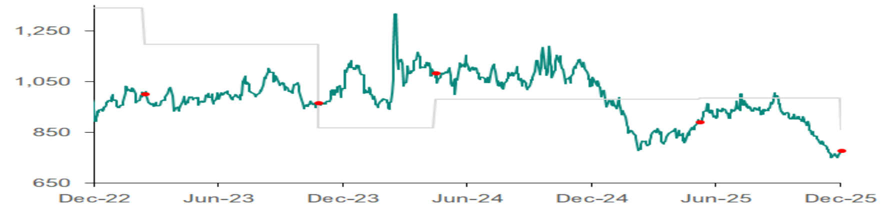
Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	**3,344**	**1,429**	**1,477**	**2,106**	**2,380**
Non-cash adj.	306	1,255	458	559	548
Other adjustments	-	-	-	-	-
Changes in W.C	-679	332	-174	-72	-157
C.F. Operation	**2,971**	**3,016**	**1,761**	**2,594**	**2,770**
Capital exp.	-1,544	-1,823	-1,952	-846	-905
Change in inv.	112	703	-139	-1,373	-833
Other invest.CF	246	510	410	-	
C.F - Investment	**-1,186**	**-610**	**-1,681**	**-2,219**	**-1,738**
Issue of equity	-	-	-	-	-
Issue/repay debt	-1,314	-1,271	945	65	142
Dividends paid	-319	-447	-382	-124	-172
Other finance.CF	-443	-776	-534	-296	-938
C.F - Finance	**-2,076**	**-2,494**	**29**	**-355**	**-968**
Chg. in cash	-291	-88	109	20	65
Closing Cash	**665**	**645**	**615**	**635**	**700**

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	22.8	18.5	13.1	15.1	16.3
EBIT margin (%)	17.5	12.1	5.6	7.4	8.8
Net profit mgn.(%)	13.8	1.7	1.6	4.0	5.2
ROE (%)	11.8	5.1	1.5	2.8	3.8
ROCE (%)	11.0	6.6	2.9	3.8	4.7
W.C & Liquidity					
Receivables (days)	57.1	45.0	46.6	46.7	47.1
Inventory (days)	281.5	341.1	324.4	324.9	325.2
Payables (days)	288.7	320.1	318.3	318.6	318.9
Current ratio (x)	1.7	1.1	1.1	1.1	1.1
Quick ratio (x)	0.9	0.5	0.5	0.5	0.5
Turnover &Leverage					
Gross asset T.O (x)	1.7	1.3	1.1	1.0	1.0
Total asset T.O (x)	0.5	0.4	0.4	0.4	0.4
Int. covge. ratio (x)	7.2	3.5	1.5	2.0	2.4
Adj. debt/equity (x)	0.3	0.2	0.3	0.3	0.3
Valuation					
EV/Sales (x)	1.9	2.1	1.9	1.7	1.6
EV/EBITDA (x)	8.1	11.5	14.7	11.5	10.1
P/E (x)	10.6	24.1	67.4	31.8	23.1
P/BV (x)	1.3	1.2	1.0	0.9	0.9

Recommendation Summary (Last 3 years)



Dates	Rating	Target
11-Aug-21	BUY	987
05-May-22	BUY	1,196
17-Aug-22	BUY	1,340
06-Mar-23	HOLD	1,197
17-Nov-23	REDUCE	868
06-May-24	SELL	979
29-May-25	HOLD	984
24-Dec-25	ACCUMULATE	876

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: ▲ Upgrade ● No Change ▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

DISCLAIMER & DISCLOSURES

Certification: I, ANIL R, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please Click here

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly GIL's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. **Disclosures regarding Ownership:**

GIL confirms that:

(i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. **Disclosures regarding Compensation:**

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. **Disclosure by GIL regarding the compensation paid to its Research Analyst:**

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. **Disclosure regarding the Research Analyst's connection with the subject company**: It is affirmed that I, ANIL R, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. **Disclosure regarding Market Making activity:** Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. **Disclosure regarding conflict of interests:** GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. **Standard Warning:** "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools: Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

GRIEVANCES

ANIL R Digitally signed by ANIL R Date: 2025.12.24 10:33:29 +05'30'

Step 1: The client should first contact the RA using the details on its website or following contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances:grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at https://smartodr.in

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567; Depository Participant : IN-DP-781-2024.