

Tata Chemicals Limited

HOLD

Sector: Chemicals

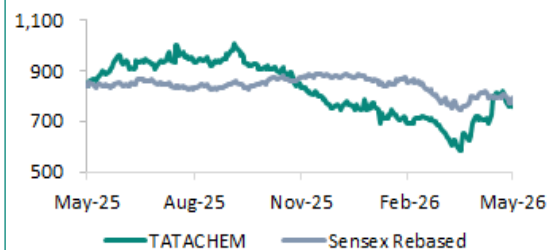
15th May, 2026

Key Changes	Target	Rating	Earnings	Target	Rs. 815		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 757
Small Cap	TTCH:IN	75,399	TATACHEM	500770	12 Months	Return	+8%

Data as of: 14-May-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	19,290		
52 Week High — Low (Rs.)	1,026 - 581		
Enterprise Value (Rs. cr)	27,192		
Outstanding Shares (cr)	25.5		
Free Float (%)	61.2		
Dividend Yield (%)	1.5		
6m average volume (cr)	0.1		
Beta	1.2		
Face value (Rs.)	10.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	38.0	38.0	38.0
FII's	13.7	12.3	11.9
MFs/Institutions	22.2	22.4	22.8
Public	24.2	25.7	25.6
Others	1.9	1.7	1.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	8.9%	-9.1%	-9.7%
Absolute Sensex	-7.2%	-9.3%	-5.7%
Relative Return	16.1%	0.2%	-3.9%

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	14,584	15,688	16,941
Growth (%)	-2.0	7.6	8.0
EBITDA	1,805	2,196	2,597
EBITDA Margin (%)	12.4	14.0	15.3
PAT Adjusted	60	431	692
Growth (%)	-81.7	617.8	60.6
Adjusted EPS	2.4	16.9	27.2
Growth (%)	-81.7	618.0	60.6
P/E	247.6	44.8	27.9
P/B	0.7	0.9	0.9
EV/EBITDA	12.5	12.4	10.5
ROE (%)	0.3	2.0	3.2
D/E	0.3	0.3	0.3

Higher-margin product mix under development

Tata Chemicals Ltd (TCL) is the world's third-largest producer of soda ash, with manufacturing plants in Asia, Europe, Africa and North America. The company focuses on the consumer, agriculture and specialty businesses.

- In Q4FY26, TCL's consolidated revenue fell a marginal 2.0% YoY to Rs. 3,438cr, impacted by subdued global soda ash pricing and distribution in international supply chains due to geopolitical uncertainties.
- Revenue of basic chemistry products declined 3.4% YoY to Rs. 2,933cr, driven by lower US export volumes, weak southeast Asia realisation and reduced UK production during the maintenance shutdown.
- India standalone revenue grew 2.9% YoY to Rs. 1,254cr, led by higher domestic soda ash volumes and the Gujarat facility achieving production of 1mn tonne.
- TCL's EBITDA declined 16.2% YoY to Rs. 274cr, while margin dipped 130bps YoY to 8.0% due to low operating leverage.
- Reported PAT fell to Rs. -2,116cr (from Rs. -69cr in Q4FY25), impacted by exceptional charges of Rs. 1,837cr towards US goodwill impairment and Rs. 182cr deferred tax write-off.

Outlook & valuation

TCL showed resilience amid weak global demand, geopolitical uncertainties and elevated input costs, driven by the West Asia conflict. Despite near-term headwinds, including pricing pressures and subdued profitability, strategic initiatives such as capacity expansions in the non-soda ash segments, repurposing of assets for higher-margin dense ash production and the acquisition of Singapore's pharma-grade bicarbonate plant position the company for recovery. Initiatives such as de-bottlenecking expansions, precipitated silica plant, cement to dense ash repurposing, and Kenya electric calciner are expected to support long term growth. However, subdued global pricing, elevated Chinese inventories, and persistent Middle East-related input cost pressures limit near term earnings visibility. Therefore, **we downgrade our rating on the stock to HOLD from ACCUMULATE with a revised target price of Rs. 815, based on 30x rolled-forward FY28E adjusted EPS.**

Quarterly Financial Consolidated

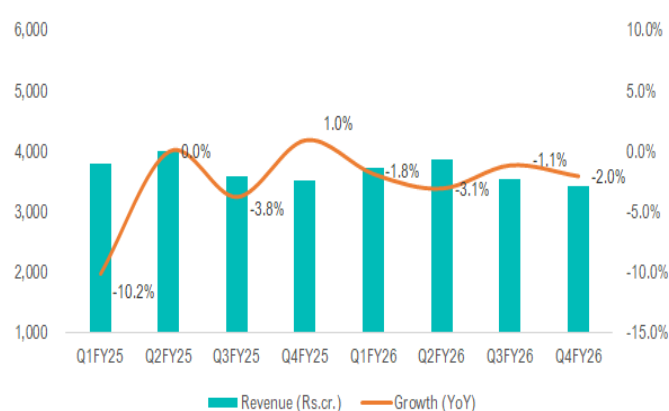
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	3,438	3,509	-2.0	3,550	-3.2	14,584	14,887	-2.0
EBITDA	274	327	-16.2	345	-20.6	1,805	1,953	-7.6
Margin (%)	8.0	9.3	-130bps	9.7	-170bps	12.4	13.1	-70bps
EBIT	-69	34	n.m.	52	n.m.	604	830	-27.2
PBT	-1,982	-92	n.m.	-73	n.m.	-1,459	521	n.m.
Rep. PAT	-2,116	-67	n.m.	-69	n.m.	-1,715	354	n.m.
Adj PAT	-295	-1	n.m.	-39	-656.4	60	360	-83.3
Adj. EPS (Rs)	-11.6	0.0	n.m.	-1.5	-656.8	2.4	14.1	-83.3



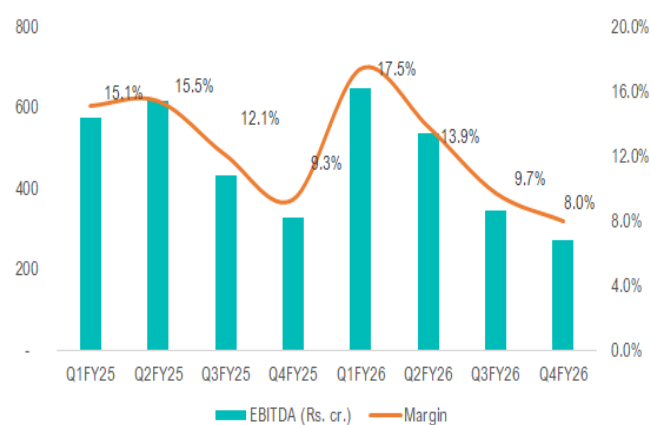
Key concall highlights

- Non-soda ash revenue rose 14% YoY to Rs. 6,946cr in FY26 from Rs. 6,118cr in FY25.
- The management noted that FY26 volumes benefitted from the 230kT soda ash and 140kT bicarbonate expansions at Mithapur and a 70kT salt plant in the UK, with Mithapur achieving 1 MTPA output.
- The management stated that next year's capex is estimated at Rs. 1,300cr and net debt ex-leases should remain ~Rs. 6,000cr by March 2026, given the current operating environment.
- The management indicated that global demand is expected to be stable in the near term, with rising energy and raw material costs, driven by the West Asia conflict, increasing production and shipping expenses globally.
- Acquisition of the premium pharma-grade bicarbonate plant in Singapore was announced in December 2025 and successfully completed by March 2026.
- Conversion of the cement plant to a dense soda ash unit is designed to address rising demand, expecting 50% utilisation upon commissioning and increased capacity as market growth continues.

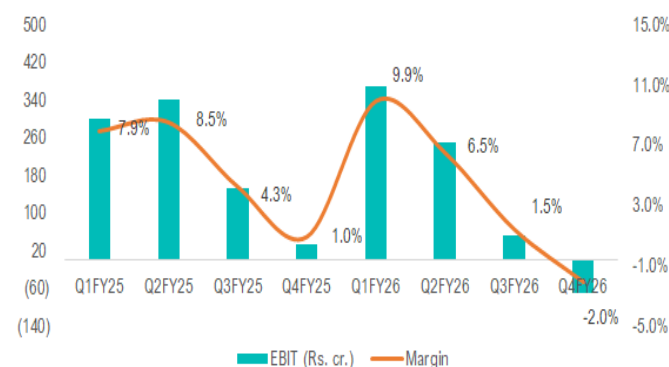
Revenue



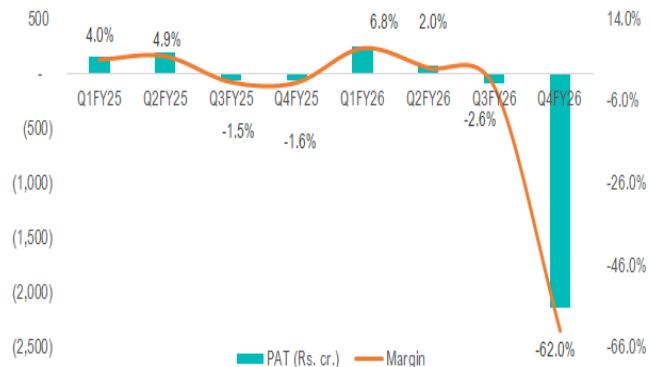
EBITDA



EBIT



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	16,447	-	15,688	16,941	-4.6	-
EBITDA	2,675	-	2,196	2,597	-17.9	-
Margins (%)	16.30%	-	14.0%	15.3%	-230bps	-
Adj. PAT	858	-	431	692	-49.8	-
EPS	33.7	-	16.9	27.2	-49.8	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	15,421	14,887	14,584	15,688	16,941
% change	-8.1	-3.5	-2.0	7.6	8.0
EBITDA	2,847	1,953	1,805	2,196	2,597
% change	-25.5	-31.4	-7.6	21.7	18.3
Depreciation	980	1,123	1,201	1,224	1,293
EBIT	1,867	830	604	973	1,304
Interest	530	563	590	689	727
Other Income	-507	254	-1,473	482	652
PBT	830	521	-1,459	766	1,230
% change	-69.7	-37.2	-380.0	-152.5	60.6
Tax	381	167	256	191	307
Tax Rate (%)	45.9	32.1	-17.5	25.0	25.0
Reported PAT	449	354	-1,715	574	922
PAT att. to common shareholders	268	235	-1,896	431	692
Adj.*	875	92	1,956	-	-
Adj. PAT	1,143	327	60	431	692
% change	-51.0	-71.4	-81.7	617.8	60.6
No. of shares (cr)	25.5	25.5	25.5	25.5	25.5
Adj EPS (Rs.)	44.9	12.8	2.4	16.9	27.2
% change	-51.0	-71.4	-81.7	618.0	60.6
DPS (Rs.)	15.0	11.0	11.0	12.0	12.2

Cashflow

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	1,429	1,477	-514	1,798	2,215
Non-cash adj.	1,255	458	2,602	756	719
Other adjustments	-	-	-	-	-
Changes in W.C	332	-174	-819	-150	-164
C.F. Operation	3,016	1,761	1,269	2,404	2,770
Capital exp.	-1,823	-1,952	-1,140	-1,326	-1,364
Change in inv.	703	-139	70	-315	-584
Other invest.CF	510	410	261	-	-
C.F - Investment	-610	-1,681	-809	-1,640	-1,948
Issue of equity	-	-	-	-	-
Issue/repay debt	-1,271	945	218	338	101
Dividends paid	-447	-382	-280	-306	-311
Other finance.CF	-776	-534	-608	-575	-418
C.F - Finance	-2,494	29	-670	-543	-627
Chg. in cash	-88	109	-210	221	195
Closing Cash	645	615	442	663	858

Balance Sheet

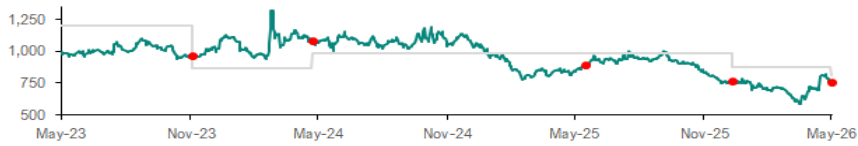
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	645	615	442	663	858
Accts. Receivable	1,900	1,900	2,088	2,235	2,397
Inventories	2,524	2,558	3,082	3,236	3,491
Other Cur. Assets	1,298	1,647	1,594	1,535	1,485
Investments	9,176	8,389	9,205	9,591	10,239
Gross Fixed Assets	12,706	15,191	16,331	17,657	19,020
Net Fixed Assets	7,262	8,794	10,733	10,359	9,930
CWIP	2,165	1,879	1,014	1,024	1,034
Intangible Assets	10,599	10,790	9,863	10,329	10,819
Def. Tax -Net	45	30	33	35	36
Other Assets	1,142	1,178	977	1,009	1,049
Total Assets	36,756	37,780	39,031	40,016	41,337
Current Liabilities	3,889	4,001	4,292	4,613	5,105
Provisions	1,465	1,363	1,382	1,410	1,438
Debt Funds	5,064	6,304	7,114	7,452	7,554
Other Liabilities	3,224	3,611	4,068	4,097	4,186
Equity Capital	255	255	255	255	255
Res. & Surplus	21,986	21,339	20,951	21,076	21,457
Shareholder Funds	22,241	21,594	21,206	21,331	21,712
Minority Interest	873	907	969	1,113	1,343
Total Liabilities	36,756	37,780	39,031	40,016	41,337
BVPS	873	848	832	837	852

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	18.5	13.1	12.4	14.0	15.3
EBIT margin (%)	12.1	5.6	4.1	6.2	7.7
Net profit mgn.(%)	1.7	1.6	-13.0	2.7	4.1
ROE (%)	5.1	1.5	0.3	2.0	3.2
ROCE (%)	6.6	2.9	2.1	3.3	4.3
W.C & Liquidity					
Receivables (days)	45.0	46.6	52.3	52.0	51.6
Inventory (days)	341.1	324.4	353.3	352.2	351.9
Payables (days)	320.1	318.3	292.6	294.2	297.9
Current ratio (x)	1.1	1.1	1.1	1.0	1.0
Quick ratio (x)	0.5	0.5	0.5	0.5	0.5
Turnover & Leverage					
Gross asset T.O (x)	1.3	1.1	0.9	0.9	0.9
Total asset T.O (x)	0.4	0.4	0.4	0.4	0.4
Int. covge. ratio (x)	3.5	1.5	1.0	1.4	1.8
Adj. debt/equity (x)	0.2	0.3	0.3	0.3	0.3
Valuation					
EV/Sales (x)	2.1	1.9	1.9	1.7	1.6
EV/EBITDA (x)	11.5	14.7	15.1	12.4	10.5
P/E (x)	24.1	67.4	327.2	44.8	27.9
P/BV (x)	1.2	1.0	0.9	0.9	0.9



Recommendation Summary - last 3 years



Dates	Rating	Target
06-Mar-23	HOLD	1,197
17-Nov-23	SELL	868
06-May-24	SELL	979
29-May-25	HOLD	984
24-Dec-25	ACCUMULATE	876
15-May-26	HOLD	815

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.

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

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