12 October 2025

INDIA | CHEMICALS |
INITIATING COVERAGE

JM Financial

Tata Chemicals

Soda ash recovery to fuel growth

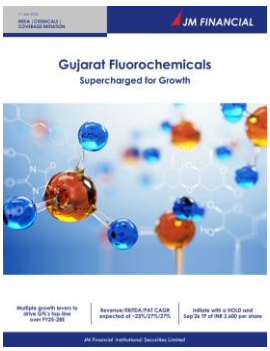
- Soda Ash recovery to drive growth over FY25-28E
- Revenue/EBITDA/PAT CAGR of ~5%/17%/73% over FY25–28E
- Initiate with ADD and Sep'26 TP of INR 970/share

JM Financial Institutional Securities Limited

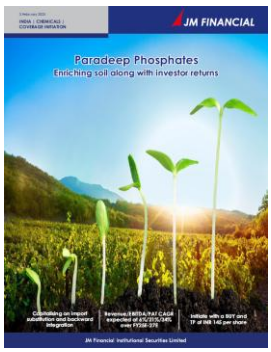
Table of Contents	Page No.

Tata Chemicals is expected to witness healthy EBITDA growth over FY25–28E, driven by margin recovery, cost optimisation, and ramp-up of newly commissioned soda ash and bicarbonate capacities in India, along with the new pharma-grade bicarbonate facility in the UK. Closure of the inefficient Lostock unit, recovery in global soda ash prices from current subdued levels, and improved capacity utilisation are expected to support margin expansion, while demand from new-age sectors such as EV batteries and solar glass is likely to support volume growth. We estimate revenue/EBITDA/PAT CAGR of ~5%/17%/73% over FY25–28E, with EBITDA margin improving from ~13% to ~18% over the period, aided by operating leverage benefits and lower losses in its UK operations.

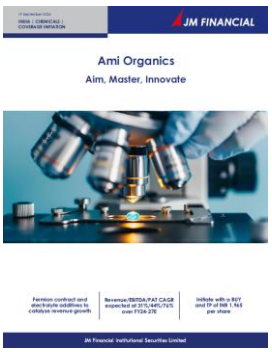
RECENT REPORTS



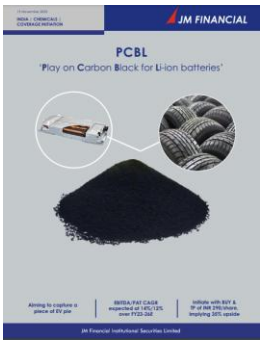
Gujarat Fluorochemicals



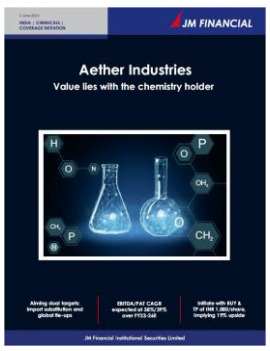
Paradeep Phosphates



Acutaas Chemicals



PCBL



Aether Industries

Tata Chemicals

Soda ash recovery to fuel growth

Tata Chemicals Limited (TCL), incorporated in 1939, is a leading chemicals company with a global presence, and a part of the Tata Group. It has a wide range of products and serves industries ranging from glass, detergents, and food, to tyres and nutraceuticals.

TCL has a global presence, operates across 4 continents, has 15 manufacturing facilities and holds 176 patents. It has a wide product portfolio ranging from basic chemistries like soda ash, sodium bicarbonate, and salt to specialty products like agrochemicals, specialty silica, and prebiotics. Tata Chemicals is the 3rd largest soda ash producer globally (ex-China), the 5th largest sodium bicarbonate producer globally, and a leading producer of salt in India and the UK. It also has a subsidiary Rallis India in which it has 55% stake, and a JV, ALCAD, with Church & Dwight Co.

We initiate coverage on Tata Chemicals with an ADD rating and a Sep '26 TP of INR 970/share. Key risks include: i) Underwhelming ramp-up of new capacities; ii) Slower-than-expected recovery in global soda ash market; and iii) Less-than-expected improvement in margins.

Growth to be driven by recovery in soda ash business: Tata Chemicals is set to benefit from a likely improvement in the overall soda ash demand-supply balance and price recovery due to increasing demand from new-age soda ash applications like EV batteries and solar cell glass and capacity rationalisation in the industry. Further, EBITDA is likely to grow strongly over FY25–28E, supported by margin expansion from improved soda ash realisation, cost optimisation through closure of the inefficient Lostock (UK) unit and volume improvement from ramp-up of newly commissioned soda ash and bicarbonate capacities in India, along with the new pharma-grade bicarbonate facility in the UK.

Revenue/EBITDA/PAT CAGR of ~5%/17%/73% over FY25–28E: We expect Tata Chemicals' consolidated revenue to grow at a CAGR of ~5% over FY25–28E to INR ~173bn, with capacity ramp-ups and improved realisation offsetting revenue losses due to shutdown of the Lostock unit in FY25. EBITDA margin is expected to expand from ~13.1% in FY25 to ~18.% in FY28, leading to ~17% CAGR in EBITDA over FY25-28, with EBITDA growing from INR 19.5bn to INR 31.3bn during the period. PAT (after minority interest) is projected to increase sharply from ~INR 2.4bn in FY25 to ~INR 12.1bn in FY28, translating into ~73% CAGR, aided by benefits from positive operating leverage and turnaround in UK operations.

Initiate with ADD and Sep'26 TP of INR 970/share: Tata Chemicals is well positioned to benefit from ramp-up of its newly added soda ash and bicarbonate capacities, improved realisation amid gradual recovery in the global soda ash market, and margin expansions led by the closure of the loss-making Lostock unit in the UK. However, given that the current valuation already factors in much of the expected earnings recovery, we initiate coverage on Tata Chemicals with an ADD rating and an SOTP-based Sep'26 target price of ~INR 970/share, implying ~10x Sep'27E EV/EBITDA.

Recommendation and Price Target	
Current Reco.	ADD
Current Price Target (12M)	970
Upside/(Downside)	7.4%

Key Data – TTCH IN	
Current Market Price *	INR903
Market cap (bn) *	INR236.1/US$2.7
Free Float	51%
Shares in issue (mn)	254.8
Diluted share (mn)	254.8
3-mon avg daily val (mn)	INR792.1/US$8.9
52-week range	1,247/756
Sensex/Nifty	81,790/25,078
INR/US$	88.8

Price Performance			
%	1M	6M	12M
Absolute	-0.7	14.1	-17.9
Relative*	-2.0	2.0	-18.6

**To the BSE Sensex*

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,54,210	1,48,870	1,56,126	1,63,362	1,73,420
Sales Growth (%)	-8.1	-3.5	4.9	4.6	6.2
EBITDA	28,470	19,530	25,854	28,343	31,250
EBITDA Margin (%)	18.5	13.1	16.6	17.4	18.0
Adjusted Net Profit	11,430	3,270	7,237	9,153	12,064
Diluted EPS (INR)	44.9	12.8	28.4	35.9	47.4
Diluted EPS Growth (%)	-50.7	-71.4	121.3	26.5	31.8
ROIC (%)	3.5	1.8	4.0	4.4	5.2
Adjusted ROCE (%)	12.7	11.5	12.4	12.9	12.0
ROE (%)	5.4	1.5	3.3	4.1	5.2
P/E (x)	20.7	72.2	32.6	25.8	19.6
P/B (x)	1.1	1.1	1.1	1.0	1.0
EV/EBITDA (x)	9.9	15.1	11.1	9.8	8.4
Dividend Yield (%)	1.6	1.2	1.2	1.2	1.2

Source: Company data, JM Financial. Note: Valuations as of 10/Oct/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

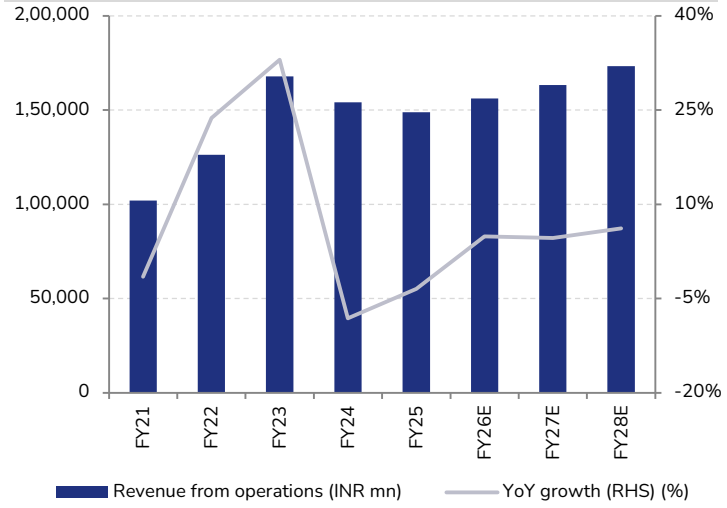
Krishan Parwani
krishan.parwani@jmfl.com
Tel: (91 22) 66303073

Jesvin Solomon
jesvin.solomon@jmfl.com@jmfl.com
Tel: (91 22) 66301854

Siddhinathan KN
siddhinathan.kn@jmfl.com
Tel: (91 22) 66303048

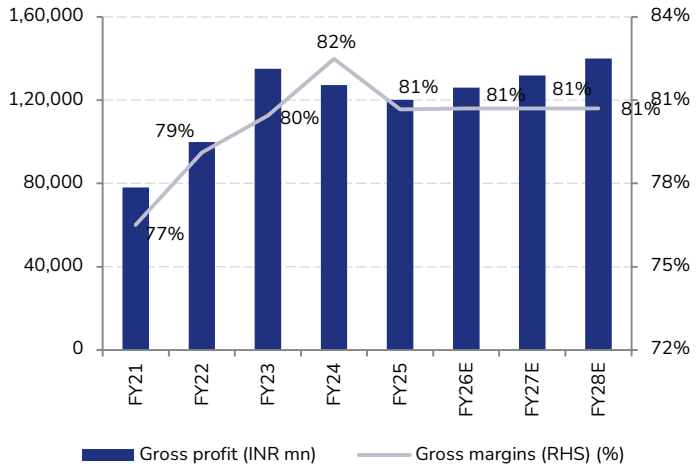
Focus Charts

Exhibit 1. Tata Chemicals' sales to see ~5% CAGR over FY25-28E...



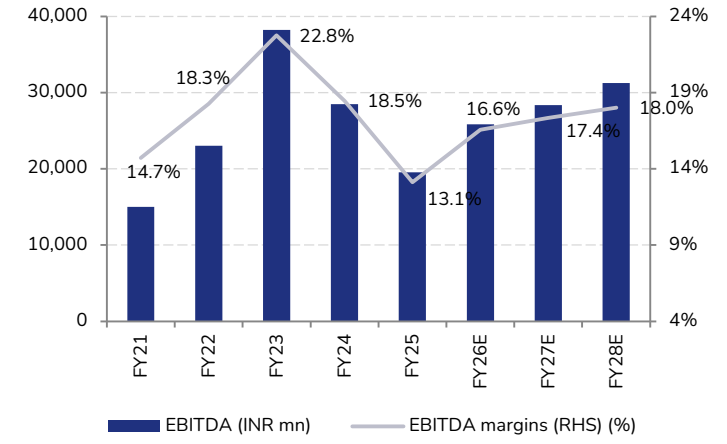
Source: Company, JM Financial

Exhibit 2. ...and gross profit to rise by~5% CAGR over FY25-28E



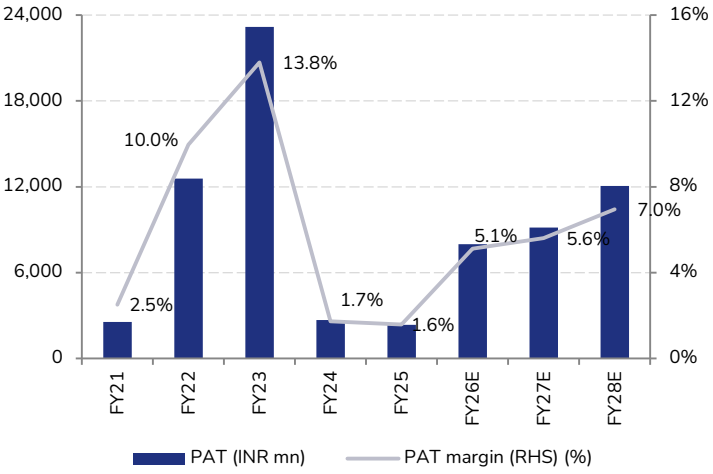
Source: Company, JM Financial

Exhibit 3. Tata Chemicals' EBITDA to show ~17% CAGR over FY25-28E...



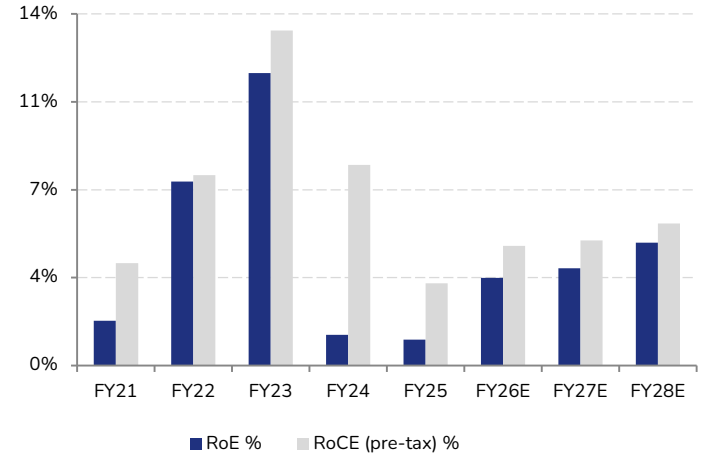
Source: Company, JM Financial

Exhibit 4. ...and PAT likely to witness ~73% CAGR over FY25-28E



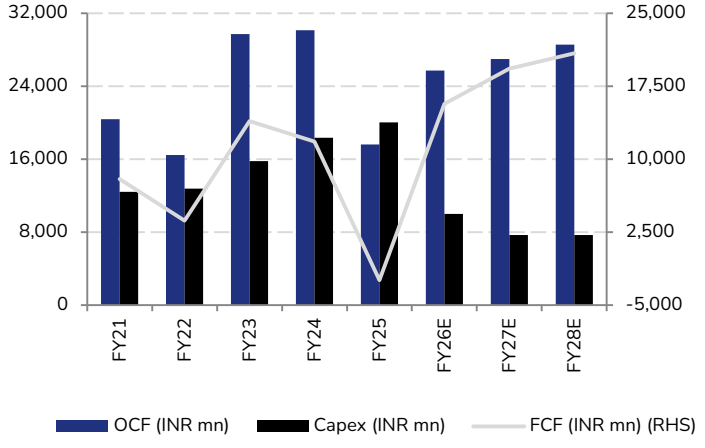
Source: Company, JM Financial

Exhibit 5. RoE/RoCE likely to improve from FY26E



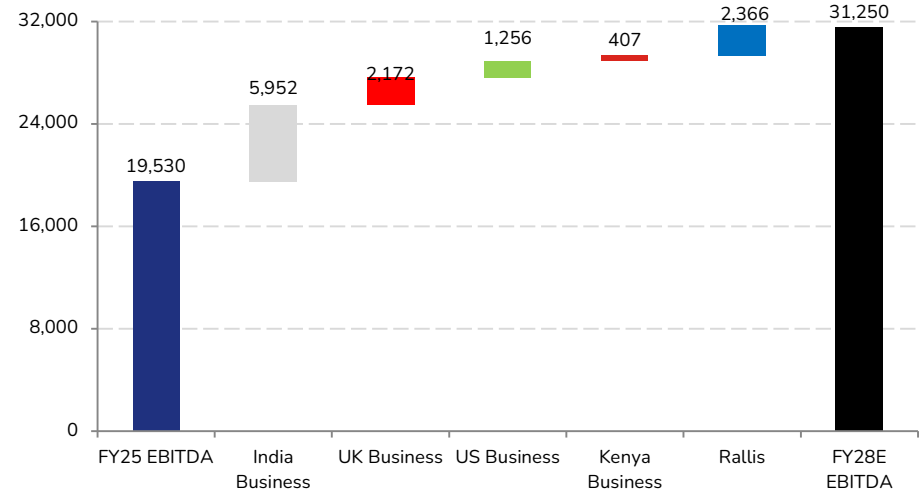
Source: Company, JM Financial

Exhibit 6. OCF to grow at a CAGR of ~18% over FY25-28E



Source: Company, JM Financial

Exhibit 7. Tata Chemicals EBITDA bridge for incremental EBITDA over FY25-28E (INR mn)



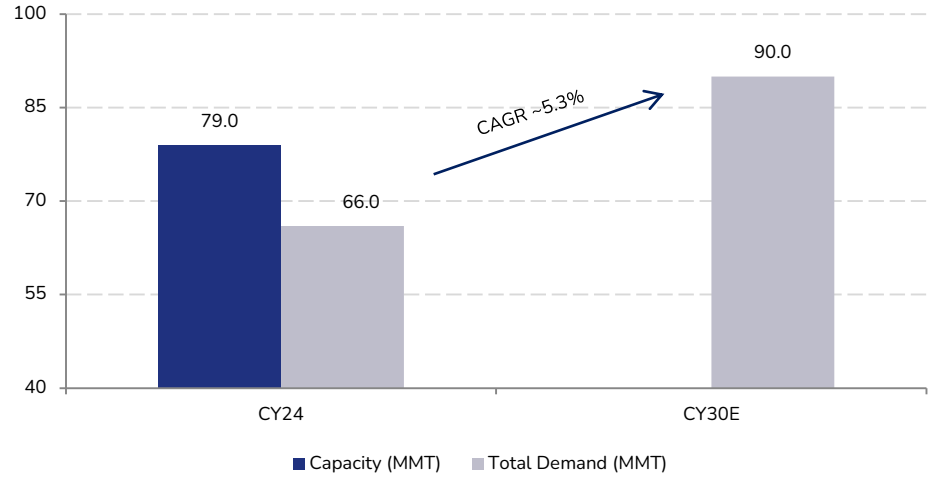
Source: Company, JM Financial

Investment Thesis

We believe Tata Chemicals' growth is set to be driven by a likely improvement in soda ash demand-supply dynamics and price recovery enabled by demand from new age applications and capacity rationalisation. Moreover, we believe the company's soda ash EBITDA is poised to nearly double over FY25-28E due to ramp-up in India capacity and closure of the loss-making Lostock unit. Further, we expect improvement in the ex-soda ash portfolio due to increasing utilisation for bicarb, salt and pharma salt. As a result, we are building in healthy recovery in soda ash EBITDA/MT and expect it to reach ~INR 4,578/MT by FY28E (from ~INR 2,445/MT in FY25). We are also building in gradual improvement in non-soda ash EBITDA/MT driven by operating leverage benefits from increased utilisation levels. Hence, we expect sales/EBITDA/PAT CAGR at ~5%/17%/73% over FY25-28E. We initiate coverage on Tata Chemicals with an ADD rating and an SOTP-based Sep'26 TP of INR 970/share (implied target 10x Sep'27E EV/EBITDA), as we believe investors can make ~13-14% CAGR returns over the next 3-4 years.

- **New age applications likely to drive long-term soda ash demand:** Global soda ash demand is set to strengthen meaningfully over the coming years, led by new-age applications such as solar glass for solar cells and lithium carbonate for lithium ion batteries. Based on our analysis, robust solar power capacity additions worldwide over CY24-30E could generate ~10.3MMT soda ash demand per year. India's solar installation plans over CY25-30 are likely to generate ~0.44MMT of soda ash demand each year. Anti-dumping duties on Chinese and Vietnamese solar glass and increase in India's solar glass manufacturing capacity will further support demand in the country. At the same time, as soda ash is used for lithium carbonate, likely scale-up in global Li-ion battery capacities over CY25-30E could generate ~0.66MMT incremental soda ash demand on average each year. Together, these two new age segments are set to become key long-term growth drivers for global soda ash consumption.
- **Capacity rationalisation could enable demand-supply balance and support prices:** While global capacity was ~79MMT in CY24-25, shutdowns of high-cost synthetic soda ash capacities globally are leading to capacity rationalisation. Further, healthy demand for soda ash from new age applications like solar glass and lithium-ion batteries along with gradual increase in demand from existing applications is set to drive ~5.3% CAGR in demand over CY24-30E to ~90MMT by CY30E. Hence, improvement in demand over CY24-30E driven by new age applications and capacity rationalisation currently underway could bring the global soda ash market demand-supply back to balance. Consequently, soda ash prices, which have been weighed down recently due to oversupply pressure, could see gradual improvement in the medium-to-long term due to the combination of the two above-mentioned factors.

Exhibit 8. Global soda ash demand likely to see ~5.3% CAGR over CY24-30E



Source: Industry, JM Financial

- **Soda ash EBITDA/MT to see healthy recovery over FY25-28E**: Tata Chemicals' soda ash EBITDA is expected to reach ~INR 16.3bn by FY28E (from ~INR 8.6bn in FY25), driven by cost optimisation, improved realisation, and ramp-up of newly added capacities. The India business is likely to provide the highest incremental EBITDA of ~INR 2.9bn over FY25-28E on the back of the ramp-up of the 0.23MMTPA capacity commissioned in FY25. The UK business will contribute to EBITDA improvement due to closure of the loss-making soda ash facility (Lostock). The US business is expected to contribute ~INR 1.3bn incremental EBITDA, aided by normalisation in freight costs from the elevated levels of FY25. The Kenya business is likely to provide ~INR 400mn incremental EBITDA, with opex expected to ease from FY25 highs. As a result, overall, soda ash EBITDA/MT is projected to rise from ~INR 2,445/MT in FY25 to ~INR 4,578/MT by FY28E, with EBITDA margin improving from ~10% to ~19% over the same period.
- **Non-soda ash EBITDA/MT to see gradual improvement:** Tata Chemicals' non-soda ash (and ex-Rallis) businesses, primarily comprising bicarbonate and salt, is expected to record steady growth with EBITDA likely to reach ~INR 10bn by FY28E (from ~INR 7.9bn in FY25). In India, expansion of bicarbonate capacity to 0.29MMTPA in FY25 is likely to provide incremental ~INR 3bn EBITDA over FY25-28, as the new capacity ramps up. This is likely to offset the decline in UK business non-soda ash EBITDA following the closure of the Lostock facility (which had bicarb capacity). Also, the increase in utilisation of the newly commissioned 70,000MTPA pharma-grade salt capacity, along with improvement in utilisation levels of existing salt facilities from ~68% to ~74% over FY25-28E, is likely to contribute to EBITDA improvement. Overall, along with some volume improvement, non-soda ash EBITDA/MT is expected to improve to ~INR 4,946/MT in FY28E (from INR 4,200/MT in FY25).
- **Expect ~5%/17%/73% sales/EBITDA/EPS CAGR over FY25-28E:** We expect Tata Chemical's revenue to register ~5% CAGR over FY25-28E driven mainly by i) recovery in demand from soda ash enabled by new age applications like solar glass for solar cells and lithium carbonate for lithium-ion batteries, and ii) Improvement in utilisation with ramp-up of newly added capacities. Further, we expect Tata Chemical's EBITDA to grow by ~17% CAGR over FY25-28E, led by margin improvement on account of – i) improvement in soda ash realisation, ii) cost optimisation from Lostock closure and iii) operating leverage benefits from increasing utilisation levels. Further, the company's PAT (after minority interest) is expected to grow at a CAGR of ~73% over FY25-28E, albeit on a low base in FY25. We initiate coverage on Tata Chemicals with an ADD rating and a Sep'26 TP of INR 970/share.

Valuation and recommendation

We initiate coverage on Tata Chemicals with an **ADD rating** and an SOTP-based **Sep'26 TP of INR 970/share** as we have ascribed – i) 9x multiple to Tata Chemicals' Sep'27E India business EBITDA, ii) 6.5x multiple to Sep'27E US business EBITDA, iii) 6.5x multiple to Sep'27E Kenya business EBITDA, iv) 8x multiple to Sep'27E UK business EBITDA, v) 20% holding company discount to Rallis shareholding value and Tata Chemicals' quoted investments and vi) 10x multiple to Sep'27E EPS from its JV. At CMP, Tata Chemicals is currently trading at ~9x Sep'27E EBITDA and ~23x Sep'27E EPS.

Exhibit 9. Our SOTP-based Sep'26 TP for Tata Chemicals stands at INR 970/share

Segments	Value (INR mn)	Multiple (x)	Methodology	Valuation (INR mn)	Value per share (INR)
India Business EBITDA (A)	13,457	9.0	9x Sep'27E EBITDA	123,801	486
US Business EBITDA (B)	7,688	6.5	6.5x Sep'27E EBITDA	50,049	196
Kenya Business EBITDA (C)	1,959	6.5	6.5x Sep'27E EBITDA	12,754	50
UK Business EBITDA (D)	2,125	8.0	8x Sep'27E EBITDA	17,003	67
Rallis Shareholding Value (E)	33,499	0.8	20% holding company discount applied to 55% shareholding	26,799	105
Company's Quoted Investments (F)	69,048	0.8	20% holding company discount	55,238	217
Share of profit from JV (G)	1,540	10.0	10x Sep'27E EPS	15,400	60
Enterprise Value				**301,044**	**1,182**
Less: Net Debt/(Cash)				41,830	164
Less: Provisions for employee benefits (current and non-current)				12,030	47
Equity Value				**247,183**	**970**
Sep'27E Consolidated EPS					42
Implied EV/EBITDA multiple (x)					10
Implied P/E multiple (x)					23

Source: JM Financial

- **~13-14% CAGR returns likely in the next 3-4 years:** We ascribe the same multiples mentioned above to FY30E EBITDA estimates to derive Tata Chemicals' enterprise value (excluding Rallis, investments and JV) for FY29. To this, we have added Rallis, investments and JV at current valuations. Assuming the company continues to pay off a large part of the existing debt and excluding the remaining portion and also excluding pension liabilities (assumed constant from FY25), we arrive at a corresponding Mar'29E target price of INR 1,435/share, implying a CAGR of ~13-14% from CMP in the next 3-4 years (refer **Exhibit 10**).

Exhibit 10. Our SOTP-based Mar'29 TP for Tata Chemicals stands at INR 1,435/share

Segments	Value (INR mn)	Multiple (x)	Methodology	Valuation (INR mn)	Value per share (INR)
India Business EBITDA (A)	20,236	9	9x FY30 EBITDA	186,173	731
US Business EBITDA (B)	8,426	6.5	6.5x FY30 EBITDA	54,854	215
Kenya Business EBITDA (C)	2,774	6.5	6.5x FY30 EBITDA	18,056	71
UK Business EBITDA (D)	2,764	8	8x FY30 EBITDA	22,115	87
Rallis Shareholding Value (E)	33,499	0.8	20% holding company discount applied to 55% shareholding	26,799	105
Company's Quoted Investments (F)	66,237	0.8	20% holding company discount	52,990	208
Share of profit from JV (G)	1,540	10.0	10x Sep'27E EPS	15,400	60
Enterprise Value				**376,386**	**1,477**
Less: Net Debt/(Cash)				-1,377	-5
Less: Provisions for employee benefits (current and non-current)				12,030	47
Equity Value				**365,733**	**1,435**

Source: JM Financial

- **Upside likely to be higher than downside:** For our sensitivity analysis of the target price based on possible movement in EBITDA/MT and production volumes, we have considered both parameters for core products of Tata Chemicals - soda ash, bicarb and salt. Further, EBITDA under consideration here excludes contribution from Rallis and ALCAD (JV). We have considered possible EBITDA/MT values for an EBITDA margin range of ~15-25% along with volumes for utilisation of ~75-90%. For our current valuation, we have projected a Sep'27E EBITDA/MT of ~INR 4,564/MT and volume of 5.5MMT and arrive at a Sep'26 TP of INR 970/share, as explained previously. For a +/- ~INR 1,100 change in EBITDA/MT (~15-25% EBITDA margin range), there could be an upside of up to ~28% and downside up to ~15%. Further, for +/- 0.5MMT change in volume (~75-90% utilisation range), there could be an upside of up to ~15% and downside up to ~2%. Overall, based on movements in EBITDA/MT and volumes, we believe there could higher upside than downside from current estimates (refer **Exhibit 11 & 12**).

Exhibit 11. Sensitivity analysis of target price based on likely EBITDA/MT and volumes

Sep'27 Volume (MMT)	Sep '27 EBITDA/MT (INR/MT)				
970	3,450	4,000	4,564	5,100	5,650
5.00	715	803	893	979	1,066
5.25	743	835	929	1,019	1,111
5.5	773	870	970	1,064	1,161
5.75	798	899	1,002	1,101	1,202
6.00	825	931	1,039	1,141	1,247

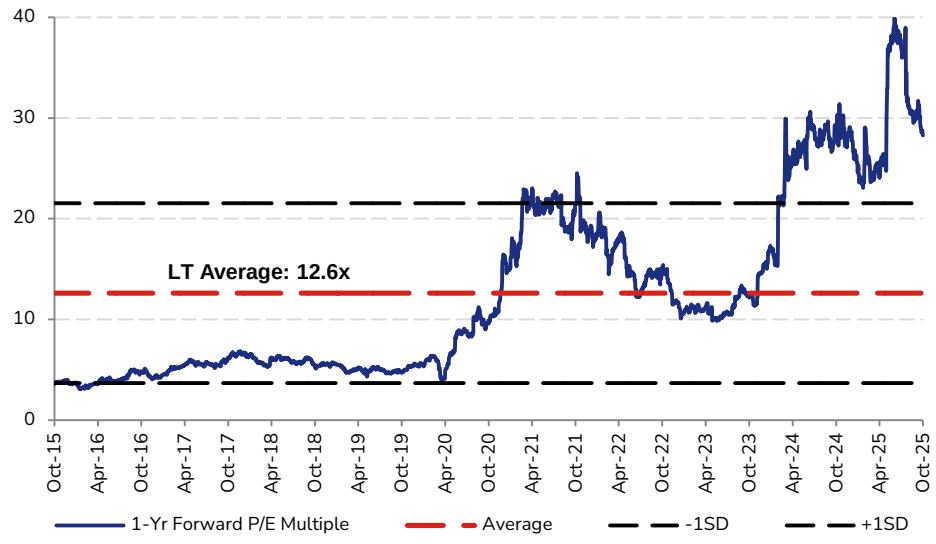
Source: JM Financial

Exhibit 12. Sensitivity analysis of upside % based on likely EBITDA/MT and volumes

Sep'27 Volume (MMT)	Sep '27 EBITDA/MT (INR/MT)				
970	3,450	4,000	4,564	5,100	5,650
5.00	-21.2%	-11.5%	-1.6%	7.8%	17.5%
5.25	-18.2%	-8.0%	2.4%	12.3%	22.5%
5.5	-14.8%	-4.1%	6.8%	17.3%	28.0%
5.75	-12.1%	-1.0%	10.4%	21.3%	32.4%
6.00	-9.1%	2.5%	14.5%	25.8%	37.4%

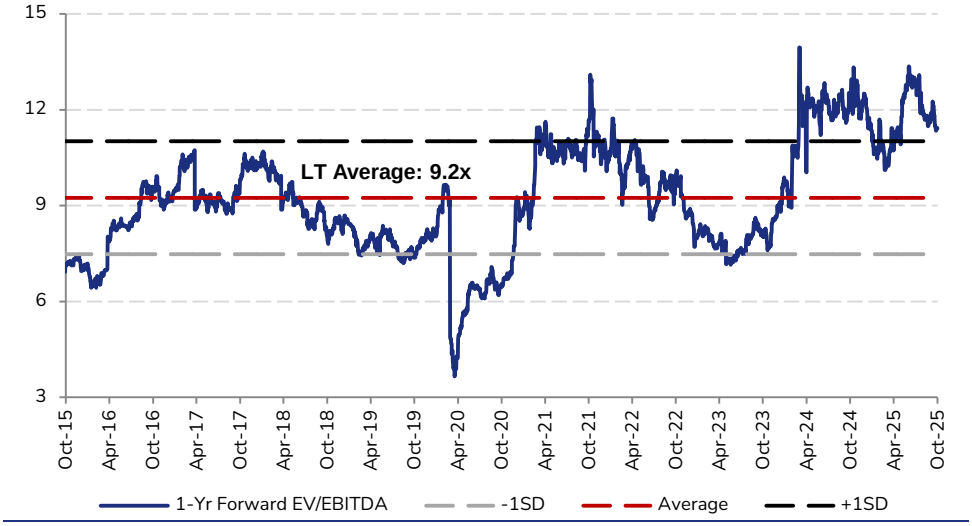
Source: JM Financial

Exhibit 13. TTCH is currently trading at ~28x 1-year forward consensus P/E multiple



Source: Bloomberg, JM Financial

Exhibit 14. TTCH is currently trading at ~11x 1-year forward consensus EV/EBITDA multiple



Source: Bloomberg, JM Financial

Exhibit 15. Chemical companies peer valuation

Company	M.Cap (USD mn)	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SRF	10,094	BUY	3,023	3,510	71.6	45.9	33.7	31.7	7.1	6.3	5.5	4.8	34.3	25.9	20.1	17.7	10.4	14.5	17.3	16.1
PI Industries	6,091	REDUCE	3,564	3,745	32.7	32.5	29.5	26.7	5.3	4.7	4.1	3.6	23.2	21.3	19.1	17.2	17.5	15.3	14.8	14.4
Deepak Nitrite	2,748	BUY	1,789	2,265	35.0	31.8	25.4	24.1	4.6	4.1	3.6	3.2	23.5	21.2	16.7	15.5	13.6	13.7	15.0	14.0
Clean Science	1,285	BUY	1,073	1,355	43.1	34.3	26.7	21.5	8.0	6.6	5.3	4.3	28.5	23.9	18.2	14.4	20.2	21.0	21.9	22.0
Navin Fluorine	2,735	BUY	4,740	6,050	81.5	48.4	38.9	32.3	9.0	6.3	5.6	4.9	45.6	29.2	25.1	20.7	11.5	15.2	15.1	16.1
Fine Organic	1,610	SELL	4,661	4,070	34.8	35.7	35.9	32.7	6.2	5.4	4.8	4.3	26.0	26.3	24.4	20.7	19.5	16.3	14.3	14.0
Galaxy Surfactants	902	REDUCE	2,259	2,335	26.3	24.1	22.1	20.9	3.4	3.1	2.9	2.6	15.8	14.7	13.4	12.3	13.4	13.5	13.6	13.2
PCBL Chemical	1,649	REDUCE	388	390	33.7	26.8	21.1	18.5	4.0	3.6	3.2	2.9	14.7	13.6	11.9	10.8	12.5	14.1	16.2	16.4
Aether Industries	1,120	BUY	750	1,030	58.6	50.1	33.2	25.3	4.5	4.1	3.6	3.2	41.1	29.9	22.5	17.1	7.9	8.5	11.5	13.4
Acutaas Chemicals	1,353	ADD	1,467	1,500	74.9	50.8	38.6	31.6	9.2	7.9	6.6	5.5	50.8	35.3	26.6	21.6	16.2	16.7	18.6	19.0
Anupam Rasayan	1,434	SELL	119	680	14.0	10.6	6.4	4.4	0.5	0.4	0.4	0.4	6.8	5.1	3.8	2.9	3.3	4.1	6.3	8.3
Archean Chemicals	890	REDUCE	640	635	39.1	26.8	17.0	13.3	4.2	3.7	3.1	2.5	24.9	17.0	11.2	8.5	11.3	14.8	19.9	21.1
Tatva Chintan Pharma Chem	283	SELL	1,072	535	439.1	94.8	68.7	54.9	3.4	3.3	3.1	3.0	74.0	36.1	28.0	24.2	0.8	3.5	4.7	5.6
Paradeep Phosphates	1,629	REDUCE	177	175	26.2	17.5	15.2	15.0	3.5	2.9	2.5	2.1	14.2	10.5	9.2	8.8	14.4	18.4	17.6	15.2
Gujarat Fluorochemicals	4,608	REDUCE	3,724	3,780	75.0	54.6	40.3	34.4	5.6	5.1	4.6	4.1	36.7	27.7	21.0	17.8	8.3	9.9	12.0	12.5
Tata Chemicals	2,591	ADD	903	970	70.4	31.8	25.1	19.1	1.1	1.0	1.0	1.0	14.7	10.9	9.5	8.2	1.5	3.3	4.1	5.2

Source: Companies, JM Financial

Exhibit 16. Chemical companies estimates

Company	Sales (INR bn)				Sales CAGR (%)	EBITDA (INR bn)				EBITDA CAGR (%)	PAT (INR bn)				PAT CAGR (%)
	FY25	FY26E	FY27E	FY28E	FY25 - FY28E	FY25	FY26E	FY27E	FY28E	FY25 - FY28E	FY25	FY26E	FY27E	FY28E	FY25 - FY28E
Anupam Rasayan	14.4	18.8	22.5	26.8	23.0	4.0	4.9	6.0	7.2	21.6	1.6	1.8	2.7	3.6	31.5
Clean Science	9.7	11.8	15.6	19.3	26.0	3.9	4.6	5.9	7.3	23.2	2.6	3.3	4.3	5.3	26.1
Tatva Chintan Pharma Chem	3.8	4.8	5.7	6.5	19.4	0.3	0.7	0.9	1.1	47.0	0.1	0.3	0.4	0.5	100.0
Navin Fluorine	23.5	30.2	38.0	46.0	25.1	5.3	8.1	9.5	11.5	29.2	2.9	4.9	6.0	7.3	36.2
Galaxy Surfactants	42.2	52.2	55.4	58.7	11.6	4.8	5.2	5.6	6.0	7.2	3.0	3.3	3.6	3.8	8.0
PI Industries	79.8	84.7	91.9	99.3	7.6	21.8	23.3	25.3	27.4	8.0	16.6	16.7	18.3	20.3	7.0
SRF	143.6	165.0	194.0	218.7	15.1	27.2	36.0	45.9	51.6	23.8	12.5	19.5	26.6	28.3	31.3
Deepak Nitrite	82.8	89.1	99.4	107.0	8.9	10.9	12.4	16.3	18.8	19.8	7.0	7.9	7.9	9.9	12.3
Fine Organic	22.7	23.8	26.0	29.1	8.6	5.1	5.0	5.4	6.2	6.7	4.1	4.0	4.0	4.4	2.1
PCBL Chemical	84.0	92.0	103.9	113.9	10.7	13.4	14.3	16.5	18.1	10.6	4.3	5.5	7.0	7.9	22.1
Aether Industries	8.4	10.9	14.1	18.1	29.2	2.4	3.3	4.4	5.6	32.8	1.6	2.3	3.0	3.9	35.5
Archean Chemical	10.4	17.1	22.2	26.9	37.2	3.1	4.6	6.7	8.5	39.3	1.6	3.0	4.7	6.0	54.3
Acutaas Chemicals	10.1	13.0	16.6	20.1	26.0	2.3	3.4	4.5	5.4	32.6	1.6	2.4	3.1	3.8	33.3
Paradeep Phosphates	138.2	142.2	162.9	163.1	5.7	12.6	16.6	18.4	18.9	14.6	5.5	8.2	9.5	9.6	20.3
Gujarat Fluorochemicals	47.4	56.8	74.6	89.4	23.6	11.6	15.5	20.8	24.8	28.9	5.5	7.5	10.2	11.9	29.7
Tata Chemicals	148.9	156.1	163.4	173.4	5.2	19.5	25.9	28.3	31.3	17.0	2.4	8.0	9.2	12.1	72.5

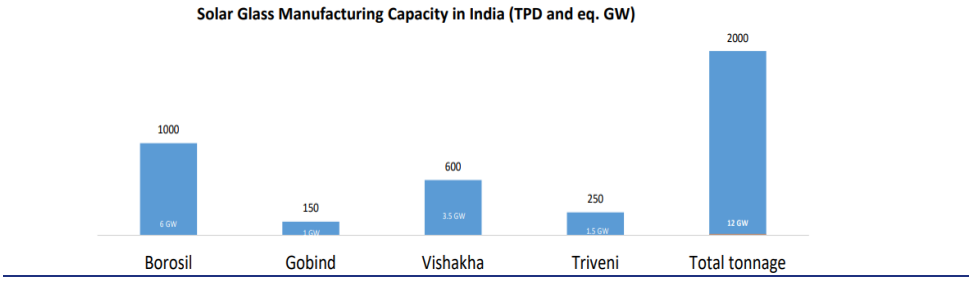
Source: Company, JM Financial

New age applications to drive soda ash demand

Global solar capacity is expected to grow from ~2.1TW in CY24 to ~6.7TW by CY30, implying an average ~0.76TW capacity addition per year over CY24-30E. Based on industry data, ~13,500MT of soda ash is required per GW of solar power through solar glass usage. As solar power capacity addition is a one-time implementation, this translates to ~10.3MMT of soda ash demand every year globally over CY24–30E from solar capacity additions. India is targeting ~280GW of solar power by CY30 implying a likely ~32GW solar capacity addition on average every year over CY25-30. This is likely to generate ~435,000MT of soda ash demand in India every year for solar glass. Anti-dumping duties on Chinese and Vietnamese solar glass are expected to support domestic production. Further, India's solar glass manufacturing capacity is expected to rise from ~0.67MMTPA to ~3.4MMTPA by FY27, led by Reliance New Energy, Borosil, Vishakha Renewables, and others which is a positive for soda ash demand. Lithium carbonate plays a critical role in Li-ion battery cathode production, with every 1GWh of capacity requiring ~1,120MT of soda ash. Global Li-ion battery manufacturing capacity is projected to expand from ~2.8TWh in CY23 to ~6.5TWh by CY30. Extrapolating this for CY25–30E, the likely ~2.9TWh capacity addition is expected to add ~3.3MMT of incremental soda ash annual demand by CY30E. In India, domestic Li-ion battery capacity is projected to increase from ~18GWh in CY23 to ~145GWh by CY30. This incremental capacity is likely to create ~125,000MT of additional soda ash demand. New-age applications like solar glass and LiBs, which together currently account for ~13% of global soda ash demand, are expected to add ~13.6MMTPA of incremental demand by CY30. This is equivalent to ~20% of current global demand, translating into ~USD 3.3bn increase in market size at current realisations.

- **Solar capacity installations to generate ~10.3MMT soda ash demand each year globally over CY24-30E:** Solar glass, specifically designed for solar panels, enables high solar energy generation and lower energy losses, while also providing advantages such as protection against moisture, oxygen, and high temperatures. According to IEA, global solar power capacity stood at ~2.1TW in CY24, with China, the US, and India being the leading markets for new installations. This capacity is expected to grow to ~6.7TW by CY30, implying a ~0.76TW capacity addition per year over CY24-30E. Based on industry data, 1GW of solar power requires on average ~59,500MT of solar glass (refer **Exhibits 17 & 18**). Solar glass contains ~12.5–14% sodium oxide (Na_2O) (refer **Exhibit 19**), and producing 1MT of sodium oxide requires ~1.71MT of soda ash (assuming 100% conversion). Accordingly, 1MT of solar glass requires ~0.22MT of soda ash, translating to ~13,500MT of soda ash per GW of solar power. As solar power capacity addition is a one-time implementation and with ~0.76TW of capacity addition per year, this would translate to ~10.3MMT of soda ash demand every year on average over CY24-30E (refer **Exhibit 20** for detailed calculations).

Exhibit 17. As per AIGMF, 12GW of solar capacity needs 2,000TPD of solar glass capacity, which translates into ~60,833MT of solar glass per GW



Source: All India Glass Manufacturers' Federation (AIGMF), JM Financial

Exhibit 18. As per Borosil, 8.5GW of solar capacity needs 1,350TPD of solar glass capacity, translating into ~57,971MT of solar glass per GW

Source: Industry, JM Financial

Exhibit 19. ~12.5-14% of solar glass is made up of sodium oxide

Sl. No	ANALYTE	OXIDE %
1	Silicon dioxide (SiO_2)	71-74%
2	Sodium oxide (Na2O)	12.5-14%
3	Calcium oxide (CaO)	8.5-11%
4	Magnesium oxide (MgO)	1- 4%
5	Aluminum oxide (Al_2O_3)	1- 2%
6	Iron oxide (Fe2O3)	<0.012%
7	Titanium Oxide (TiO_2)	<0.010%
8	Sulfur Tri Oxide (SO_3)	0.30%

Source: Industry, JM Financial

Exhibit 20. Solar power capacity addition could generate ~10.3MMT soda ash demand per year over CY24-30E

Item	Figure
(1) Global solar capacity in CY24	~2,100GW
(2) Global solar capacity in CY30E	~6,700GW
(3) Average solar power capacity addition per year over CY24-30E (GW)	~760GW
(4) Solar glass needed per GW of solar power	59,500MT
(5) Sodium oxide proportion per MT of solar glass	13.25%
(6) Sodium oxide needed per GW of solar power (5 x 4)	~7,885MT
(7) Soda ash per MT of sodium oxide	1.71MT
(8) Soda ash needed per GW of solar power (7 x 6)	~13,480MT
(9) Soda ash demand each year from solar capacity addition (MMT) (8 x 3)	**~10.3MMT**

Source: Industry, JM Financial

- **India expected to see ~435,000MT of soda ash demand each year over CY25-30E to achieve its 280GW solar power target:** According to the Central government, India aims to achieve ~280GW of solar power capacity by CY30 with India's current capacity at ~119GW (refer **Exhibits 21 & 22**). This implies a likely ~32GW solar capacity addition on average each year over CY25-30. Considering ~13,500MT of soda ash is required per GW of solar power capacity, as explained previously, this translates to a ~435,000MT of soda ash demand in India every year on average over CY25-30E for solar glass in solar power capacities (refer **Exhibit 23** for calculations). Also, to support domestic production, India has imposed anti-dumping duties on solar glass imports from China (USD 673–677/MT) and Vietnam (USD 565/MT) (refer **Exhibit 24**), which is likely to boost domestic solar glass manufacturing and corresponding soda ash demand. Currently, India's solar glass manufacturing capacity is ~0.67MMTPA (catering to 10-12GW capacity), and it is expected to expand to ~3.4MMTPA (to cater to ~60GW capacity) by FY27, driven by additional capacities from Reliance New Energy, Borosil, Vishakha Renewables (a JV between Vishakha Group and Adani Group) and other players (refer **Exhibits 25 & 26**). These upcoming capacities, along with growing solar glass demand and import restrictions, are likely to further support soda ash demand for solar glass production in India.

Exhibit 21. India aims to reach 280GW of solar power capacity by CY30

The Minister also highlighted the recent successful visits of the Prime Minister Narendra Modi to America and France, showcasing India's unwavering commitment to realizing its ambitious goals and dreams across all sectors.

He explained that one of the significant steps taken by the Government of India is the launch of Production Linked Incentive (PLI) schemes for renewable energy, aimed at promoting self-sufficiency and indigenous production in the energy sector. Under this scheme, a PLI of Rs. 1500 crore has been initiated, enabling the installation of 65 GW capacity through an investment of Rs. 19500 crore. By 2030, India aims to achieve a total of 500 GW, with 280 GW of it coming from solar energy.

Source: GoI, JM Financial

Exhibit 22. India's solar power capacity stands at ~119GW as of Jul'25

Just a decade ago, India's solar landscape was in its infancy, with panels dotting only a few rooftops and deserts. Today, the nation has raced ahead to script history: India has officially surpassed Japan to become the **world's third-largest** solar power producer. According to the International Renewable Energy Agency (IRENA), India generated an impressive **1,08,494 GWh** of solar energy, leaving Japan behind at **96,459 GWh**[2].

India's cumulative solar power capacity stood at **119.02 GW as of July 2025**. This includes **90.99 GW from ground-mounted solar plants**, **19.88 GW from grid-connected rooftop systems**, **3.06 GW from hybrid projects**, and **5.09 GW from off-grid solar installations**, reflecting the country's diverse approach to expanding renewable energy.[3]

Source: GoI, JM Financial

Exhibit 23. Indian solar power capacity addition could generate ~435,000MT soda ash demand per year over CY25-30E

Item	Figure
(1) Indian solar capacity (GW) in CY25	~119GW
(2) Indian solar capacity (GW) in CY30E	~280GW
(3) Average solar power capacity addition per year over CY25-30E	~32GW
(4) Solar glass needed per GW of solar power	59,500MT
(5) Sodium oxide proportion per MT of solar glass	13.25%
(6) Sodium oxide needed per GW of solar power (5 x 4)	~7,885MT
(7) Soda ash per MT of sodium oxide	1.71MT
(8) Soda ash needed per GW of solar power (7 x 6)	~13,480MT
(9) Soda ash demand each year from solar capacity addition (MT) (8 x 3)	**~435,000MT**

Source: Industry, JM Financial

Exhibit 24. Anti-dumping duty imposed on solar glass imports from China and Vietnam

In a bid to reduce imports and boost domestic manufacturing, the union ministry of finance last month imposed a provisional anti-dumping duty on textured, tempered, coated and uncoated solar glass imports from China in the range of $673-677 per tonne and $565 per tonne for imports from Vietnam.

Source: Industry, JM Financial

Exhibit 25. India's current solar glass manufacturing capacity is 10-12GW

According to the ministry of new and renewable energy, as of 30 June, the total solar photovoltaic (PV) module manufacturing capacity in the country is 85.47 GW. However, the country does not have considerable solar glass production capacity and is dependent on imports. The domestic solar glass manufacturing capacity stands at 10-12 GW.

Source: Industry, JM Financial

Exhibit 26. India's solar glass capacity to reach ~3.4MMT by FY27

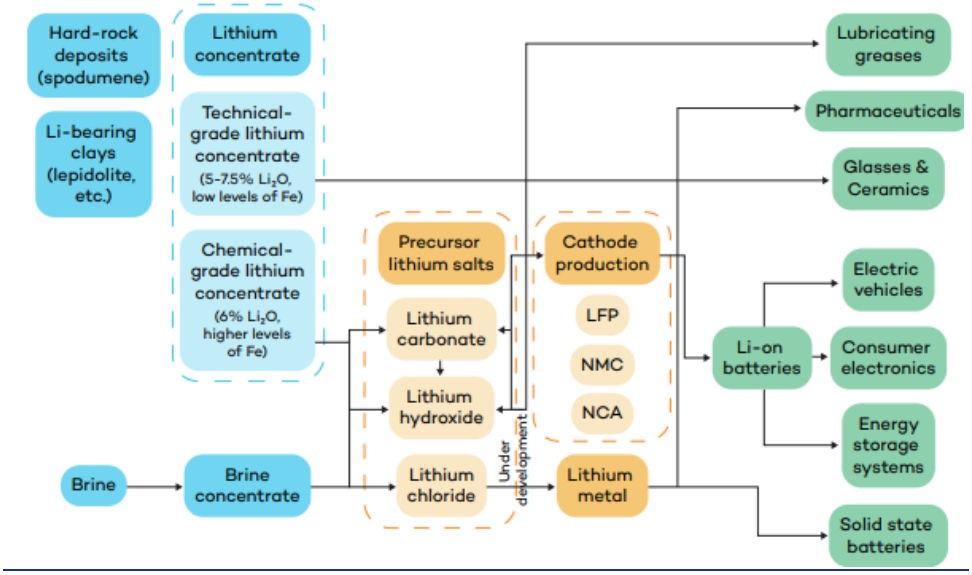
By **Q1 FY2025**, India's solar glass capacity is expected to reach **2,650 TPD (17.2 GW)**. Major expansion is underway – **Reliance New Energy** is constructing a **2,000 TPD** plant, while Borosil plans an additional **1,000 TPD** by FY2026.

Further capacity additions announced by **Vishakha (1,100 TPD)**, **Triveni (850 TPD)**, **Indosolar (1,000 TPD)**, **GREW Energy (300 TPD)**, and **Saint-Gobain (450 TPD)** will drive India's total solar glass capacity to an estimated **9,350 TPD (~60 GW)** by **FY2027** – marking India's emergence as a global solar glass manufacturing hub.

Source: Industry, JM Financial

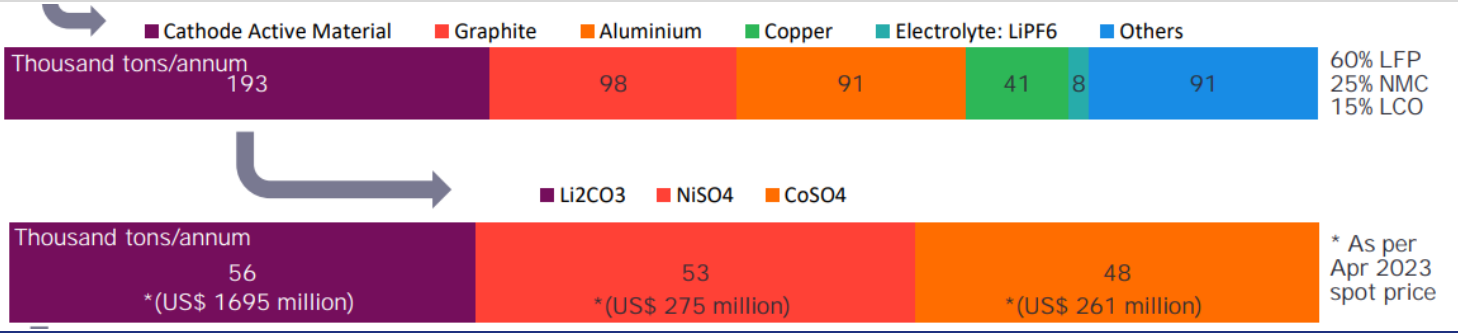
- **Rising Li-ion battery capacity to drive incremental soda ash demand:** Lithium carbonate (Li_2CO_3) plays a critical role in the Li-ion battery value chain as a precursor for cathode production (refer **Exhibit 27**). Based on our estimates, 1GWh of Li-ion battery capacity requires ~1,930MT of Cathode Active Material (CAM), which, in turn, requires ~560MT of lithium carbonate (refer **Exhibit 28**). 1MT of lithium carbonate requires ~2MT of soda ash (refer **Exhibit 29**); this translates into ~1,120MT of soda ash for every 1GWh of Li-ion battery capacity. The Li-ion battery demand is likely to rise sharply, driven by growing adoption of EVs and energy storage systems. Global LiB manufacturing capacity was ~2.8TWh in CY23 and is expected to reach ~6.5TWh by CY30, at a CAGR of ~13%, led by expansions in Asia-Pacific and North America (refer **Exhibit 30**). Over CY25–30E, a likely global capacity addition of ~2.9TWh is expected to drive incremental annual soda ash demand of ~3.3MMT. While the country currently relies heavily on imports (refer **Exhibit 31**), domestic capacity is expected to expand from ~18GWh in CY23 to ~145GWh by CY30 (refer **Exhibit 32**). This ~112GWh capacity addition over CY25–30E is likely to create incremental soda ash demand of ~125,000MT.

Exhibit 27. Lithium carbonate is a precursor for LiB cathode manufacturing



Source: Industry, JM Financial

Exhibit 28. LiB manufacturing capacity of 1GWh/year will require ~1,930MTPA of Cathode Active Materials (CAMs) and ~560MTPA of lithium carbonate



Source: Industry, JM Financial

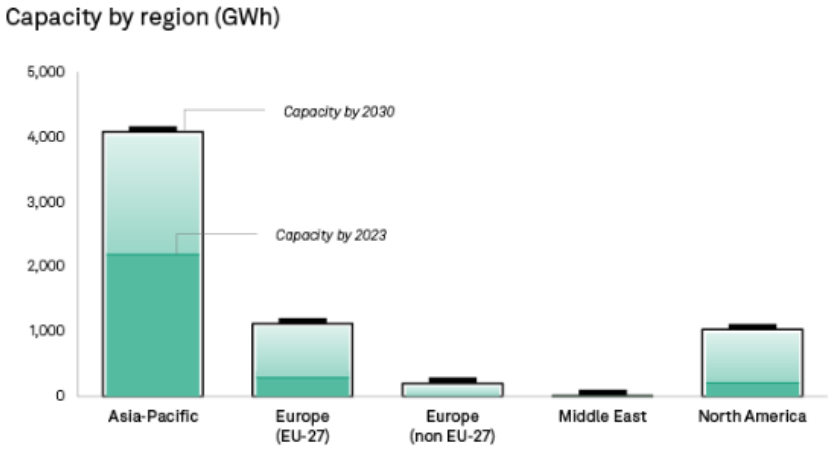
Exhibit 29. For every 1MT of lithium carbonate, 2MT of soda ash is required

Con. Brine → Li_2CO_3

Material and energy flow per ton of Li_2CO_3		
Per ton Li_2CO_3	Input	Unit
Materials input		
Lithium brine (6% Li)	4.00	ton
Soda ash	2.00	ton
Other[a]	0.08	ton
Energy input		
Electricity	1,500	MJ
Diesel	400	MJ
Natural gas	2,800	MJ
Non-combustion emissions		
PM 10	700	g
PM 2.5	400	g
[a]Includes H2SO4, HCl, lime, solvent, and alcohol.		

Source: Industry, JM Financial

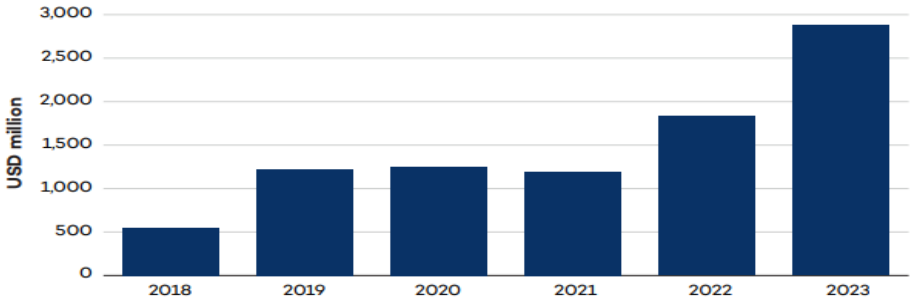
Exhibit 30. Asia-Pacific and North America are expected to lead capacity additions



Source: Industry, JM Financial

Exhibit 31. India imported USD 2.8bn worth of Li-ion batteries in FY23

Figure 3. India's Li-ion imports have been growing rapidly from FYs 2018–2023



According to data from India's Ministry of Commerce and Industry, the country's imports of Li-ion batteries increased from USD 384.6 million in 2018–19 to USD 2.8 billion in 2022–23 (Figure 3). This growth is largely driven by imports from China and South Korea, which are the largest suppliers of lithium and Li-ion batteries to India (Ministry of

Source: Industry, JM Financial

Exhibit 32. India's battery manufacturing capacity is expected to grow from 18GWh to 145GWh by CY30

India is also poised to significantly increase its manufacturing capacity to 145 GWh in 2030 from just 18 GWh currently, placing the market fifth globally at the end of the forecast horizon, behind Hungary. As the database only reflects manufacturer announcements, India's ambitions and plans to build up capacity may lead to significant additions in the next updates. The Indian government estimates it will need 120 GWh of lithium-ion battery capacity by 2030 to power EVs and for stationary energy storage — an achievable target if projects advance as announced. S&P Global anticipates EV sales in India will rise from just 60,000 in 2022 to 1.2 million in 2030, compared with 4.1 million in the US, with the government having plans to achieve a target of 30% EV adoption by 2030.

Source: Industry, JM Financial

- **New age applications (Li-ion Batteries and solar glass) to be a major growth driver for soda ash:** As of CY24, lithium carbonate and solar glass account for only ~13% of global soda ash demand. Globally, solar capacity additions are expected to generate ~10.3MMT of soda ash demand each year on average over CY24–30. For Li-ion batteries, incremental demand by CY30 is estimated at ~3.3MMT from CY25. Together, new-age applications are likely to add an incremental ~13.6MMT of soda ash demand by CY30, equivalent to ~20% of current global demand (~71MMTPA). At current realisation of ~USD 230/MT, the market size could go up by ~USD 3.3bn by CY30. Hence, new age applications are set to be a major growth driver for soda ash demand.

Capacity rationalisation positive in the medium to long term

The global soda ash market is currently facing oversupply pressure, with capacity additions of ~8.8MMT in China and ~1.2MMT in US in CY22-23 significantly outpacing demand growth of ~7.5MMT during the same period. As global capacity has reached ~79MMT currently, prices have come under pressure and upcoming additions in Inner Mongolia are likely to keep prices subdued in the near term. The situation has been aggravated by weak demand conditions across key markets and end-use industries. In Europe, weak economic conditions have slowed down soda ash consumption. In China, slowdown in the real estate sector has affected glass manufacturing, where soda ash is used, while lithium carbonate (requires soda ash) demand in the country has softened. Also, the US is facing a slowdown in demand for glass. Hence, with demand lagging incremental capacity/supply, prices have declined to ~USD 165–170/MT levels. At these price levels, smaller synthetic soda ash capacities, lacking economies-of-scale advantage, face high production costs and are finding it difficult to operate profitably. This situation has also led to shutdowns of plants in Europe by Qemetica, BASF, Solvay, and Tata Chemicals (UK), and further capacity rationalisations are likely. While this environment is challenging for smaller, high-cost synthetic soda ash players, it is likely to be favourable in the medium to long term for natural soda ash (lower production costs) and large-scale soda ash producers (economies of scale advantage). Tata Chemicals, which has natural soda ash capacities in the US and Kenya and a large-scale synthetic soda ash capacity in India, is likely to benefit from potential capacity rationalisation and a likely eventual recovery in prices.

- **Current soda ash market is oversupplied, leading to price decline:** Global soda ash capacity has expanded sharply since CY22. China added ~8.8MMT in CY22–24 (refer **Exhibit 33**), including ~5MMT of natural soda ash in Inner Mongolia by CY23 (refer **Exhibit 34**). Further, Genesis (US) added ~1.2MMT by CY23 (refer **Exhibit 35**). As per industry reports, global capacity is now ~79MMT (refer **Exhibit 36**). These rapid soda ash capacity additions have outpaced demand growth, leading to oversupply and putting soda ash prices under pressure (refer **Exhibits 37 & 38**). Moreover, an additional ~2.8MMT capacity is set to come up in Inner Mongolia in CY26 and GHCL is expected to add 1.1MMT capacity soon (refer **Exhibits 34 & 39**), which could keep soda ash prices depressed in the short term.

Exhibit 33. China has added ~8.8MMT soda ash capacity over CY22-24

Mainland China's soda ash capacity has seen a net increase of 8.8 million mt in 2024 as compared to 2022. One component of this increased capacity is the new greenfield natural soda ash plant (5.0 million mt) which started ramping up in mid-2023. As mainland China's capacity has increased significantly, so too has its demand growth. Following a remarkably strong demand growth rate in 2023 of 10%, or 2.9 million mt, apparent demand in mainland China has remained exceedingly positive this year-to-date, totalling 22.1 million mt in January-July 2024, up by 29%, or 4.8 million mt, year-on-year. This high demand growth has also caused mainland China's year to date imports of soda ash to exceed its exports of the product. Imports in January-July 2024 totalled 812,000 mt, representing a year-on-year increase of 294%, while exports in January-July 2024 totalled 505,000 mt, representing a year-on-year decrease of 55%. Mainland China has not been a net importer of soda ash for approximately 35 years.

Source: Industry, JM Financial

Exhibit 34. Inner Mongolia added 5MMT soda ash capacity and is expected to add 2.8MMT more in CY26

However, Inner Mongolia Berun's natural soda ash plant will add ~7.8 MMT of extra capacity.

The plant's first line (~5 MMT of natural soda ash) started in June 2023, while phase two (~2.8 MMT of soda ash) is estimated for 2026.

Overall, world demand for soda ash has increased by ~7.0 MMT between 2018 to 2023; the total demand is forecast to reach 66.2 MMT in 2023.

Source: Industry, JM Financial

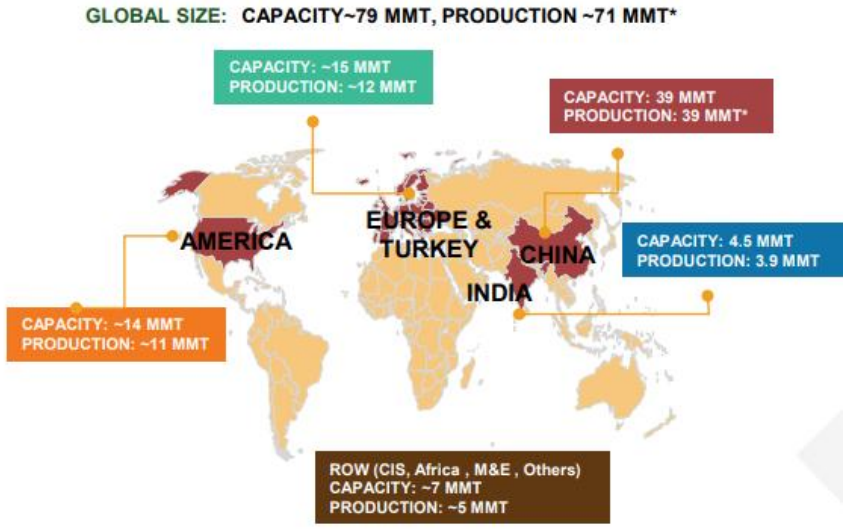
Exhibit 35. Genesis recently expanded capacity in the US by 1.2MMT

The biggest recent expansions in the US were both by Genesis, where a total of approximately 1.2 million mt of capacity was operational at the end of 2023.

By 2028, 18.0 million mt of new capacity is scheduled to be added globally, 61% of the additions are in China and 34% in the US.

Source: Industry, JM Financial

Exhibit 36. Global soda ash capacity is now ~79MMT



Source: Industry, JM Financial

Exhibit 37. Overcapacity leading to soda ash price decline

However, I would say looking beyond this, medium-term and long-term remains positive, driven largely by sustainability trends, where soda ash is one of the key ingredients for the sustainable transition of the world. In terms of supply side, soda ash remains well supplied, especially because supply has risen in China more recently. Soda ash capacity increased by 8.9% and this was the main reason for decline in prices by over 25% from the previous year. The tariff uncertainty could lead to shifts in production centers of soda ash application industry, and this could lead to change in demand centers. However, some of the demand centers will continue to move forward with positive momentum.

Source: Company, JM Financial

Exhibit 38. Soda ash price under pressure in CY23 due to sudden capacity surplus

Source: Industry, JM Financial

Exhibit 39. GHCL expected to add 1.1MMT soda ash capacity

For the first phase of the new facility, GHCL will invest about ₹3,500 crore to set up an annual production capacity of 550,000 tonnes of soda ash, managing director R.S. Jalan said in an interview. "Total capacity will be 1.1 million tonnes, which will be added in two phases over a period of time," he said.

Source: Industry, JM Financial

- **Global market slowdown exacerbates the situation:** In addition to the global oversupply situation, the global soda ash market has been exacerbated by economic slowdown and demand slowdown in end-user industries. In Europe, economic slowdown has led to a slowdown in soda ash consumption. China is facing a slowdown in its real estate sector, where glass is used extensively; glass manufacturing is one of the major drivers of soda ash demand (refer **Exhibits 40 & 41**). The US is also facing a slowdown in glass business demand (refer **Exhibit 43**). China is also facing a slowdown in lithium carbonate demand (refer **Exhibit 42**), which, in turn, affects soda ash demand as 1MT of lithium carbonate requires 2MT of soda ash. Owing to these multiple factors, global soda ash demand has not kept up with the addition in capacity and supply, leading to oversupply and pricing pressure (refer **Exhibit 44**).

Exhibit 40. Global glass manufacturing (an application of soda ash) has been affected due to multiple factors

Soda ash markets were extremely tight since 2022, and prices were at record high levels, but demand growth has gradually slowed over this year while the new supply has come on-stream, with most markets now being oversupplied. For glass manufacturing, which dominates world soda ash consumption, slow economic growth, high inflation rates and a housing crisis in China have combined to impact consumption negatively. Flat glass (28% of world demand) is driven mainly by the construction sector, but also has an application in the automotive sector. In comparison, container glass (19% of world demand) is used in the retail sector for food and beverage containers. Meanwhile, environmental sectors, including primarily solar glass (8% of world demand) and lithium carbonate (3% of world demand), are and will continue to be critical drivers for soda ash demand.

Source: Industry, JM Financial

Exhibit 41. China real estate slowdown

Source: Industry, JM Financial

Exhibit 42. Lithium carbonate demand set to be weak in China

In the first half of this year, battery cell production increased significantly YoY, far exceeding the same period last year, driving a significant increase in the operating rate of the upstream lithium iron phosphate (LFP) industry. According to data from SMM, from January to May, the total production of LFP battery cells was 476.03 GWh, up 75.64% YoY; the operating rate of LFP industry enterprises increased by over 60% YoY. However, with the traditional off-season for the industry approaching in July and August, battery cell enterprises have planned to reduce production in the next two months, and the production of the LFP industry is expected to decline. Meanwhile, in July and August, the lithium carbonate industry is still in a peak supply period, especially with the production of lithium extracted from salt lakes expected to remain high. Under the contradiction of weak demand expectations and sufficient supply, lithium carbonate prices will still face significant downward pressure in the short term.

Source: Industry, JM Financial

Exhibit 43. US glass demand to be subdued in CY25

Market Challenges: Ardagh's operating performance was weaker-than-expected in 2024, due to the underperformance of its glass business. Ardagh's revenue in 2024 was eroded by lower sales volumes after factory closures in the US market. In Europe and Africa, revenue was affected as the group passed on less input costs to customers. We expect glass business demand will be subdued in 2025. Some secular trends, like declining alcohol consumption among young adults, may further pressure customer sales volumes.

Source: Industry, JM Financial

Exhibit 44. Soda ash price has declined over the last few years

Source: Industry, JM Financial

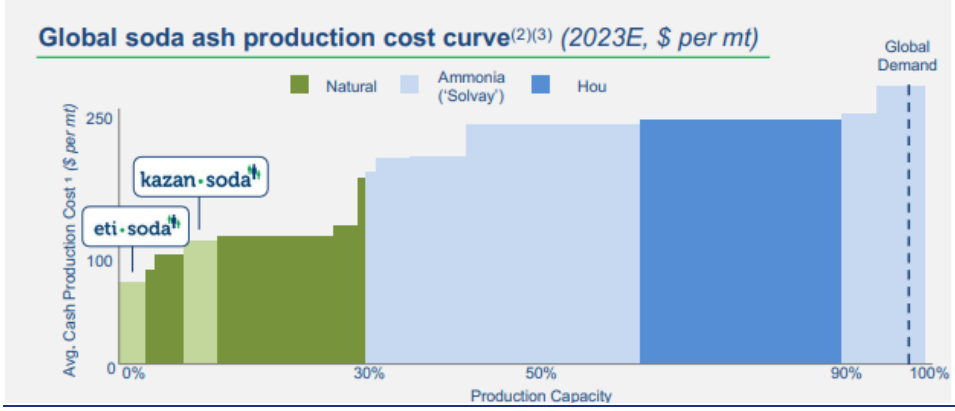
- **Low prices leading to capacity rationalizations across the industry:** Currently, soda ash price is ~USD 165-170/MT (refer **Exhibit 44**). Given the depressed prices, it would increasingly not be feasible for players with smaller synthetic soda ash capacities to operate profitably compared to manufacturers with large capacities (refer **Exhibit 45**) due to high production cost (refer **Exhibit 46**) vis-à-vis lower prices. This has likely led to several units shutting down their operations, particularly in Europe due to increasing energy costs and regulatory pressure. For example, recently, the 650,000MTPA soda ash plant of Qemetica has been shut down in Poland (refer **Exhibit 47**), BASF's soda ash plant in Ludwigschafen has also been shut down (refer **Exhibit 48**), and Solvay is reducing the capacity of its 300,000MTPA soda ash plant in Torrelavega, Spain (refer **Exhibit 49**). Tata Chemicals has also shut down its 400,000MTPA soda ash facility in Lostock, UK. There are expectations of more capacity shutdowns in the industry, given the high cost of production and pricing pressure; however, timelines for these likely shutdowns are not clear.

Exhibit 45. Smaller synthetic soda ash players likely to face more pressure due to low prices

R. Mukundan:	Yes, we have seen normalization or some toning down of the imports coming in, overall basis, Consignments have landed from U.S., from Turkey as well as from China, it is not just one place where it's landed in India in the past. We do believe that this would normalize. As far as China is concerned the broad issue what synthetic play does, is that those who are competitive and large-scale plants will continue to export from synthetic plants. But it will put pressure on the domestic smaller plants and weaker players, domestically. So, it's going to be a combination of putting pressure on the domestic players. Some synthetic players who may have the margin and cost competitiveness to export, will export. But those who can't will face increasing pressure to run their operations with difficulty.

Source: Company, JM Financial

Exhibit 46. Global natural and synthetic (non-natural) soda ash production cost curve



Source: Industry, JM Financial

Exhibit 47. Qemetica's soda ash plant in Poland has been shut down due to high energy costs and regulatory pressure in the EU

Qemetica has temporarily shut down its soda ash plant in Janikowo, Kujawy, Poland.

The decision comes in response to what the company has called "the biggest crisis in the European chemical industry in decades".

Contributing factors include soaring energy costs and increasing regulatory pressure in the EU, which Qemetica said deprived European companies' ability to compete with non-EU manufacturers.

Source: Industry, JM Financial

Exhibit 48. BASF has shut down its soda ash facility in Ludwigshafen

BASF is closing a plant making caprolactam, the key raw material for nylon 6. The caprolactam business had seen a buildup of capacity in recent years, especially in China, and the sharp rise in European energy prices put additional pressure on the business, BASF says.

Similarly, the company is reducing capacity for the nylon 6,6 raw material adipic acid and is shutting plants that make the adipic acid precursors cyclohexanol and cyclohexanone. And it is shutting capacity for soda ash, which relies on by-products from the adipic acid chain.

Source: Industry, JM Financial

Exhibit 49. Solvay shuts down 300,000MTPA capacity

Solvay will reduce soda ash capacity at its plant in Torrelavega, Spain, where it uses the synthetic Solvay process, by 300,000 metric tons (t) per year. Production at the site will be down to 600,000 t per year by January. Solvay says that the plant will serve regional customers but that the company will serve the export market out of its Green River, Wyoming, soda ash mine, which it is expanding. The company is also building a soda ash export terminal in Vancouver, Washington, with partner Vancouver Bulk Terminal. That facility is expected to be completed in 2026.

Source: Industry, JM Financial

- **Capacity rationalisation likely to be positive for large-scale players like Tata Chemicals:** Tata Chemicals' smaller synthetic plant in Lostock, UK, has been closed down but the company still has natural soda ash capacities in the US (2.54MMTPA) and Kenya (350,000MTPA) and a large synthetic soda ash capacity in India (1.09MMTPA). Given that smaller synthetic plants are closing down due to decrease in profitability, only large synthetic capacities (which can benefit from economies of scale) and natural soda ash capacities (which have lower production costs vis-à-vis soda ash prices) can cater to global soda ash demand at current prices. In the medium to long term, this can be a positive for the industry, particularly for large players like Tata Chemicals, which can benefit from a likely price improvement stemming from the capacity rationalisation in the global soda ash industry.

Exhibit 50. Capacity rationalisation could lead to demand catching up with supply

The current situation we are facing, there's not a demand problem. Demand is actually very fine. The demand is growing as per our projection. There is no issue at all with the market on the demand side. Our issue is more from the excess supply and the continuing operation of unviable units.

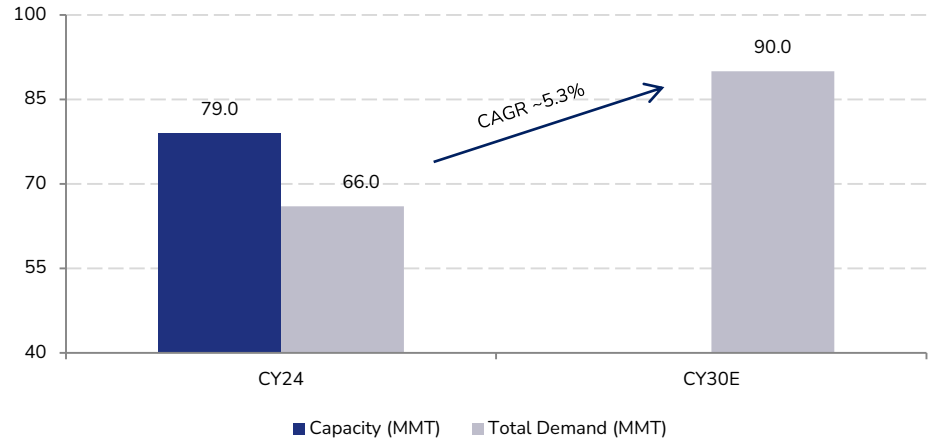
If you look at the ceasing of operations, only two players have announced the announcement. One is us. And, the second largest player in Europe has also announced ceasing of one of its operations. We have just heard some news of a Chinese unit going into long maintenance shutdown, whether it is ceasing operation, or this unit is Shandong Haihua, which is considering idling capacity. But we will have to see as these announcements come.

So, the big issue in terms of the major moving will be on the basis of either plants idling capacity or taking a pause for a certain period of time until the production demand catches up, right? Right now, it's not a demand issue. It is fundamentally a supply issue by some units which are unviable.

Source: Company, JM Financial

- **Capacity rationalisation could enable demand-supply balance and support prices:** While global capacity was ~79MMT in CY24-25, shutdowns of high-cost synthetic soda ash capacities globally are leading to capacity rationalisation. Further, healthy demand for soda ash from new age applications like solar glass and lithium-ion batteries along with gradual increase in demand from existing applications is set to drive ~5.3% CAGR in demand over CY24-30E to ~90MMT by CY30E. Hence, improvement in demand over CY24-30E driven by new age applications and capacity rationalisation currently underway could bring the global soda ash market demand-supply back to balance. Consequently, soda ash prices, which have been weighed down recently due to oversupply pressure, could see gradual improvement in the medium-to-long term due to the combination of the two above-mentioned factors.

Exhibit 51. Global soda ash demand likely to see ~5.3% CAGR over CY24-30E



Source: Industry, JM Financial

US & Kenya units to add ~INR 1.7bn EBITDA over FY25-28E

Tata Chemicals' US business ((Tata Chemicals North America (TCNA)) operates a 2.54MMTPA natural soda ash facility in Wyoming, which benefits from low-cost raw materials with access to the Green River Basin providing access to natural soda ash reserves. We have assumed realisation of ~USD 250/MT in FY26E (vs. ~USD 263/MT in FY25) based on prevailing prices, which could normalise to the long-term average of ~USD 237/MT from FY27E. The US business, which exports ~60% of its output globally, had faced elevated freight costs due to disruptions caused by conflicts in the Middle East, but these are likely to ease from FY26E, aiding EBITDA margin expansion from ~12% in FY25 to ~15% by FY28E. Meanwhile, the Kenya unit (TCML) that operates a 350,000MTPA natural soda ash capacity at Lake Magadi, is likely to see realisation revert to the long-term average of ~USD 267/MT from FY26E. Additionally, Kenya's EBITDA margin could expand from ~23% in FY25 to ~29% in FY28E over cost optimization. Overall, the US and Kenya businesses together are likely to deliver an incremental ~INR 1.7bn in EBITDA between FY25 and FY28E, enabled by strong natural soda ash margin, benefit from likely freight cost improvement and operating efficiency gains.

- **US business margins to benefit from natural soda ash:** Tata Chemicals' US facility (Tata Chemicals North America (TCNA)) produces natural soda ash with a capacity of 2.54MMT in Wyoming. For FY26E, we have assumed ~USD 250/MT realisation (vs. ~USD 263/MT in FY25) based on prevailing prices. From FY27E, we have assumed that realisation will reach its long-term average of ~USD 237/MT. Natural soda ash, due to nature of production process, provides margin benefits due to low-cost raw materials and lower production costs. Further, the facility has easy access to raw soda ash from the Green River basin in Wyoming.
- **US business likely to see EBITDA margin expansion over FY25-28E:** The US business exports ~60% of its output to global markets, including China and Southeast Asia, In FY25, the business faced a surge in freight costs, likely due to disruptions arising from the Middle East conflict (refer **Exhibit 52**); and is expected to normalise to some extent from FY26E. Thus, despite realisation likely reverting to long-term average levels, US business EBITDA margins could expand from ~12% in FY25 to ~15% by FY28. Further, EBITDA/MT is likely to reach ~USD 36.7/MT level by FY28E from ~USD 32.3/MT in FY25. As a result, we expect US business EBITDA to grow from ~USD 76mn (~INR 6.5bn) in FY25 to ~USD 87mn (~INR 7.7bn) in FY28E (refer **Exhibit 53** for detailed calculations).

Exhibit 52. Increase in freight rates due to ME conflict is affecting imports to Asia

R. Mukundan:	Correct. I think supply side, as I said, there's been an increase in freight rates, mainly on account of the tension that you're seeing in the Middle East and other parts of the world, that has led to some material not arriving at the Asian market. The second piece on the supply side as I mentioned within China again, especially for solar glass which needs low iron, what we have picked up is that Inner Mongolian plant iron content is slightly high, so it is unable to service the solar glass demand. So, there are very product specific issues on supply side. Barring these two, rest of the market is, we are not seeing any major changes in terms of contraction of supply. So, there's one quality related supply contraction, other one is a supply chain related contraction.

Source: Company, JM Financial

Exhibit 53. US business to see steady growth in EBITDA enabled by margin expansion

TCNA (US Business)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Capacity (KTPA)	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
Utlization (%)	78%	94%	92%	88%	93%	93%	93%	93%	95%	99%
Total Volume (KT)	1,907	2,392	2,347	2,233	2,365	2,365	2,365	2,365	2,411	2,528
Realization (USD/MT)	204	207	279	289	263	250	237	237	237	237
Sales (USD mn)	**388**	**495**	**656**	**645**	**622**	**591**	**561**	**561**	**572**	**600**
EBITDA (USD mn)	**47**	**106**	**158**	**130**	**76**	**91**	**87**	**87**	**89**	**93**
EBITDA margin	12.2%	21.3%	24.1%	20.2%	12.3%	15.5%	15.5%	15.5%	15.5%	15.5%
EBITDA (USD/MT)	24.9	44.1	67.3	58.4	32.3	38.7	36.7	36.7	36.7	36.7
Sales (INR mn)	28,780	36,880	52,710	53,770	52,610	50,979	49,399	49,893	51,368	54,412
EBITDA (INR mn)	3,510	7,870	12,700	10,870	6,470	7,894	7,650	7,726	7,955	8,426

Source: Company, JM Financial

- **Kenya business realization to improve:** The company's Kenya business, Tata Chemicals Magadi Limited (TCML), like the US facility, also produces natural soda ash with a capacity of 350,000MTPA in Magadi. From FY26E, we expect Kenya business realisation to reach its long-term average of ~USD 267/MT (vs. ~USD 257/MT in FY25). Further, the facility has easy access to natural soda ash from Lake Magadi.

- **US & Kenya businesses together likely to contribute an incremental ~INR 1.7bn EBITDA:** Along with some improvement in realisation, we have assumed the Kenya business could see a decrease in expenses as a % of overall sales, in line with the FY20-25 average, which could expand the EBITDA margin from ~23% in FY25 to 29% in FY28E. Consequently, we expect the Kenya business EBITDA to grow from ~USD 18.9mn (~INR 1.4bn) in FY25 to ~USD 22.5mn (~INR 2bn) in FY28E. As a result, the US and Kenya businesses combined could contribute an incremental ~INR 1.7bn EBITDA over FY25–28E (refer **Exhibits 53 & 54** for detailed calculations).

Exhibit 54. Kenya business EBITDA likely to reach ~INR 2bn in FY28E from ~INR 1.6bn in FY25

TCML (Kenya Business)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Capacity (KTPA)	350	350	350	350	350	350	400	450	600	700
Utlization (%)	78%	94%	92%	88%	93%	93%	93%	86%	82%	86%
Total Volume (MT)	233	318	289	245	281	281	281	291	325	395
Realization (USD/MT)	239	244	407	313	257	267	267	267	267	267
Sales (USD mn)	**56**	**77**	**118**	**84**	**73**	**75**	**75**	**78**	**87**	**105**
EBITDA (USD mn)	**8**	**19**	**58**	**21**	**19**	**22**	**22**	**23**	**25**	**31**
EBITDA margin (%)	15%	25%	50%	26%	23%	29%	29%	29%	29%	29%
EBITDA (USD/MT)	36	60	202	88	67	77	77	77	77	77
Sales (INR mn)	4,126	5,766	9,455	6,898	6,120	6,474	6,604	6,907	7,791	9,564
EBITDA (INR mn)	615	1,430	4,683	1,761	1,420	1,878	1,915	2,003	2,259	2,774

Source: Company, JM Financial

India & UK margin expansion to drive growth over FY25-28E

Tata Chemicals' India business is likely to see a steady recovery led by a likely improvement in soda ash realisation and the ramp-up of recently commissioned capacities in soda ash and bicarbonate. Soda ash realisation is likely to revert to the long-term average of ~USD 337/MT over FY25–28E. Further, there could be ramp-up in volumes on account of increasing utilisation of recently added capacities for soda ash (~230,000MTPA commissioned in FY25) and bicarb (~140,000MTPA commissioned in FY25). With operating leverage benefits and a likely decline in opex as a share of revenue, India business EBITDA is expected to increase from ~INR 8.2bn in FY25 to ~INR 14.1bn in FY28E, generating a likely incremental EBITDA of ~INR 5.9bn. Meanwhile, the UK business is expected to deliver a sharp turnaround, with EBITDA projected to grow from ~GBP 2.3mn (~INR 250mn) in FY25 to ~GBP 21mn (~INR 2.4 bn) in FY28E, supported by the shutdown of the inefficient Lostock unit, ramp-up of the pharma salt capacity, and margin gains from the CCU initiative. The US and Kenya natural soda ash operations together are likely to contribute an additional ~INR 1.7bn in EBITDA over FY25–28E, as explained previously, along with contribution from Rallis India. Overall, Tata Chemicals' consolidated EBITDA is likely to increase from ~INR 19bn in FY25 to ~INR 31.5bn in FY28E, implying a robust ~17% CAGR, driven by strong contribution from the India business, recovery in the UK unit, and steady growth in US and Kenya businesses.

- **India business soda ash realisation likely to improve:** Tata Chemical's India business (Tata Chemicals India Ltd. (TCIL)) top line is driven mainly by basic chemicals like soda ash, bicarb and salt. cement, and specialty chemicals like Fructo-oligosaccharide (FOS) and specialty silica have relatively smaller contribution (refer **Exhibit 55**). Given soda ash realisation was at its lowest since FY22, we expect India business realisation to bounce back to its long-term average of ~USD 337/MT, driving improvement in the blended realisation from ~INR 20.1/kg in FY25 to INR 23.2/kg by FY28E (refer **Exhibit 56**). Volumes are also likely to grow on the back of ramp-up of recently added capacities in soda ash (~230,000MTPA commissioned in FY25) and bicarb (~140,000MTPA commissioned in FY25).

Exhibit 55. Soda ash, bicarb, and salt are the major contributors to India business revenue

TCIL product wise revenues (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Soda ash	13,321	16,845	24,500	19,960	19,400	23,032	25,080	26,802	33,953	39,436
Bicarb	2,245	3,182	4,540	4,050	4,330	5,254	5,995	6,575	7,104	7,487
Salt	9,901	11,359	14,180	15,520	16,220	17,692	18,719	18,906	19,095	20,118
Cement	2,784	3,152	3,638	2,134	2,715	2,824	2,787	2,787	2,787	2,787
Prebiotic	1,116	1,644	1,556	961	969	1,076	1,076	1,076	1,076	1,076
Specialty Silica	414	580	754	679	551	694	749	1,897	3,483	5,001
Total India business revenue	29,781	36,762	49,168	43,304	44,185	50,571	54,406	58,042	67,498	75,906

Source: Company, JM Financial

Exhibit 56. TCIL's soda ash realisation is expected to improve to ~USD 337/MT, thereby improving blended realisation

TCIL - Soda ash	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Capacity ('000MT)	875,000	917,000	917,700	1,091,000	1,091,000	1,091,000	1,091,000	1,091,000	1,411,000	1,411,000
Soda ash sales vol ('000 MTT)	621,000	678,000	646,000	641000	717000	792,000	845,525	894,620	1,122,106	1,290,421
Soda ash realisation (INR/MT)	21,451	24,845	37,926	31,139	27,057	29,080	29,662	29,959	30,258	30,561
Soda ash realisation (USD/MT)	289	333	472	373	320	337	337	337	337	337
Revenue - Soda ash (INR mn)	**13,321**	**16,845**	**24,500**	**19,960**	**19,400**	**23,032**	**25,080**	**26,802**	**33,953**	**39,436**

Source: Company, JM Financial

- **India business likely to provide an incremental ~INR 5.9bn EBITDA over FY25-28E:** Tata Chemicals' India unit is its highest EBITDA margin unit owing to lower expenses. As of FY25, the India business was the highest contributor to the overall consol EBITDA, contributing to ~42% of the overall EBITDA (refer **Exhibit 57**). Further, the likely increase in overall realisation could enable improvement in EBITDA margin from ~18% in FY25 to ~24% FY28E. Also, with ramp-up of recently added capacities, the India business is likely to see operating leverage benefits with EBITDA/kg likely to increase from ~INR 3.7/kg in FY25 to ~INR 5.7/kg FY28E. Moreover, with expenses as a percentage of revenue likely to decrease from ~82% in FY25 to ~76% in FY28E, we expect India business EBITDA to grow from ~INR 8.2bn in FY25 to ~INR 14.1bn in FY28E (refer **Exhibit 58**).

Exhibit 57. TCIL contributed to ~42% of consolidated EBITDA for Tata Chemicals for FY25

EBITDA	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
INR mn										
TCIL	6,108	9,514	12,350	8,750	8,180	11,226	12,781	14,132	17,363	20,236
TCNA	3,510	7,870	12,700	10,870	6,470	7,894	7,650	7,726	7,955	8,426
Kenya	615	1,430	4,683	1,761	1,420	1,878	1,915	2,003	2,259	2,774
UK	1,386	1,172	6,169	3,470	250	1,191	1,829	2,422	2,597	2,764
Rallis	3,229	2,741	2,183	3,112	2,860	3,751	4,456	5,226	5,976	5,976
Total EBITDA	**14,771**	**22,515**	**37,994**	**28,392**	**19,356**	**25,939**	**28,630**	**31,510**	**36,151**	**40,176**
% of total EBITDA										
TCIL	41%	42%	33%	31%	42%	43%	45%	45%	48%	50%
TCNA	24%	35%	33%	38%	33%	30%	27%	25%	22%	21%
Kenya	4%	5%	12%	8%	8%	7%	7%	6%	6%	7%
UK	9%	5%	16%	12%	1%	5%	6%	8%	7%	7%
Rallis	22%	12%	6%	11%	15%	14%	16%	17%	17%	15%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company, JM Financial

Exhibit 58. TCIL's EBITDA margin are expected to improve over FY25-28E

TCIL	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Total Volume (MT)	1,942,000	2,049,000	2,072,000	2,110,000	2,212,000	2,309,000	2,433,525	2,499,620	2,742,106	2,980,421
Realization (INR/kg)	15.4	18.2	23.8	20.8	20.1	21.9	22.4	23.2	24.6	25.5
Sales (INR mn)	**29,989**	**37,209**	**49,300**	**43,840**	**44,410**	**50,571**	**54,406**	**58,042**	**67,498**	**75,906**
EBITDA (INR mn)	**6,108**	**9,514**	**12,350**	**8,750**	**8,180**	**11,226**	**12,781**	**14,132**	**17,363**	**20,236**
EBITDA/kg (INR/kg)	3.1	4.6	6.0	4.1	3.7	4.9	5.3	5.7	6.3	6.8
EBITDA margin (%)	20%	26%	25%	20%	18%	22%	23%	24%	26%	27%

Source: Company, JM Financial

- **UK business turnaround driven by restructuring, pharma salt ramp-up and CCU benefits:** The UK business (Tata Chemicals UK) is expected to deliver a sharp EBITDA turnaround, enabled by multiple drivers, over FY25-28E. The shutdown of the inefficient Lostock unit in FY25 is expected to reduce overheads and contribute to EBITDA margin improvement for the UK business. Further, the recent 70,000MTPA expansion in pharma salt capacity is expected to ramp up, delivering higher realisation and margins compared to standard salt (refer **Exhibit 59**). In addition, the UK unit is undertaking a 180,000MTPA expansion in pharma-grade bicarbonate capacity, which is expected to be commissioned by CY27, with meaningful top line contribution from FY29 onwards (refer **Exhibit 60**). The carbon capture and utilisation (CCU) initiative is capable of capturing and producing ~40,000MTPA of CO_2 from emissions of the Combined Heat and Power (CHP) plant. This will replace third-party CO_2 purchases for bicarbonate production enabling margin improvement (refer **Exhibits 61 & 62**). These measures are expected to collectively drive UK business EBITDA from ~GBP 2.3mn (~INR 250mn) in FY25 to ~GBP 21mn (~INR 2.4bn) in FY28E, thereby positioning the business for sustainable profitability over FY25-28E and beyond (refer **Exhibit 63**).

Exhibit 59. Pharma salt is expected to provide better realisation

R. Mukundan: That is what we expect will happen. So, effectively, you will see a quarter-on-quarter improvement in the trend in terms of U.K. By the time you come to the 4th Quarter, you would know exactly what the sustainable number will be or thereabouts as far as U.K. is concerned. So, every quarter will be better than the previous quarter, because as we start to stabilize bicarb unit with the new power configuration and having in-house CO_2 that structure will improve. As the pharma salt starts to get into the market it has a higher margin. So, it will start to impact or at least show that in the result. We expect every quarter it should sequentially continue to improve.

Source: Company, JM Financial

Exhibit 60. Tata Chemicals' pharma grade bicarb plant in UK set to be completed by CY27

TATA CHEMICALS EUROPE

The Board of Directors of Tata Chemicals Europe Limited (TCEL), a wholly-owned subsidiary of Tata Chemicals Limited has at its Board Meeting held on November 12, 2024 considered and approved the proposal of capital investment of £60 million (Rs. 655 crore) to build a 1, 80,000 tons per annum pharmaceutical grade sodium bicarbonate plant in Northwich, United Kingdom.

This new plant will triple TCEL's production capacity of pharmaceutical grade sodium bicarbonate in the UK. Further, as part of the restructuring operations to facilitate this investment, the Board of TCEL has approved the proposal to cease chemical production at its loss-making Lostock plant by the end of January 2025, subject to completion of employee consultation as required under local law.

The construction of the plant will commence in 2025 with first production expected to be in 2027. Using a patented process, the new plant will use carbon dioxide captured from energy generation emissions as a key raw material and will meet growing demand for high grade sodium bicarbonate from pharmaceutical manufacturers for use in medicines and hemodialysis.

Source: Industry, JM Financial

Exhibit 61. CCU plant expected to capture and produce ~40KTPA of CO_2

Our CCU plant will be capable of capturing and producing up to 40,000 tonnes of carbon dioxide per year (equivalent of taking 20,000 cars off the road) and will reduce our carbon emissions at the CHP plant by over 10%.

Source: Company, JM Financial

Exhibit 62. UK business is expected to benefit from CO_2 production and ramp-up of pharma grade salt

R. Mukundan: U.K. has two big drivers of shift, which will happen. Q1, they have had to buy CO_2 from market. So, the announced CO_2 production should start this quarter. Secondly, the pharmaceutical grade salt plant has been commissioned. But right now, they are going through a process of qualification with customers that should begin maybe in the second half of the year. So, there will be two further drivers to move.

We do expect to run the year towards exit, towards the 3rd and 4th Quarter with at least balanced or zero losses at the PAT level in U.K. The two drivers of that are fundamentally the shift towards own CO2, which is obviously lower cost & sales and approval of pharmaceutical grade salt from the customers in the second half.

Source: Company, JM Financial

Exhibit 63. UK business EBITDA to deliver sharp turnaround from FY26E driven by margin expansion

TCE (UK Business)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Total Volume (MT)	750,000	748,000	681,000	608,000	546,000	365,500	394,000	422,500	481,000	519,500
Realization (GBP/MT)	193	258	398	380	340	292	285	278	273	270
Sales (GBP mn)	**144**	**193**	**271**	**231**	**186**	**107**	**112**	**117**	**131**	**140**
EBITDA (GBP mn)	**14**	**12**	**64**	**33**	**2**	**11**	**16**	**21**	**23**	**24**
EBITDA margin (%)	9.8%	6.0%	23.5%	14.4%	1.2%	10.1%	14.5%	18.2%	17.2%	17.0%
EBITDA (GBP/MT)	18.9	15.5	93.4	54.8	4.2	29.6	41.3	50.5	47.1	45.9
Sales (INR mn)	14,090	19,490	26,290	24,040	20,070	11,767	12,618	13,338	15,069	16,250
EBITDA (INR mn)	1,386	1,172	6,169	3,470	250	1,191	1,829	2,422	2,597	2,764

Source: Company, JM Financial

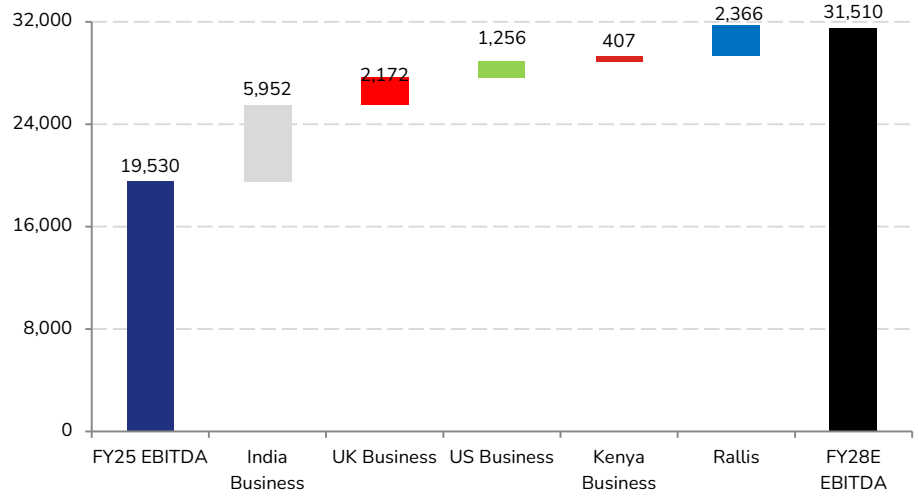
- **Consol EBITDA likely to grow from ~INR 19bn in FY25 to ~INR 31.5bn in FY28E:** Tata Chemicals' overall consol EBITDA is likely to see a CAGR of ~17% over FY25-28E, from ~INR 19bn in FY25 to ~INR 31.5bn in FY28E. As detailed previously, EBITDA is expected to be mainly driven by the India business, which is expected to contribute to an incremental EBITDA of ~INR 5.9bn, on account of ramp-up of recently added capacities and a likely recovery in soda ash realisation. Rallis and UK business are also likely to contribute significantly, adding ~INR 2.4bn and ~INR 2.2bn in incremental revenue respectively over the same period. As explained earlier, the US business and Kenya business are likely to add a combined incremental EBITDA of ~INR 1.7bn, with the consolidated EBITDA for Tata Chemicals expected to grow by an incremental ~INR 12bn over FY25-28E (refer **Exhibit 64**).

Exhibit 64. Tata Chemical's group level EBITDA likely to grow from ~INR 19.4bn to ~INR 31.5bn over FY25-28 at CAGR 17%

EBITDA	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
TCIL	6,108	9,514	12,350	8,750	8,180	11,226	12,781	14,132	17,363	20,236
TCNA	3,510	7,870	12,700	10,870	6,470	7,894	7,650	7,726	7,955	8,426
Kenya	538	1,218	4,592	2,190	1,596	1,878	1,915	2,003	2,259	2,774
UK	1,386	1,172	6,169	3,470	250	1,191	1,829	2,422	2,597	2,764
Rallis	3,229	2,741	2,183	3,112	2,860	3,751	4,456	5,226	5,976	5,976
Total EBITDA	**14,771**	**22,515**	**37,994**	**28,392**	**19,356**	**25,939**	**28,630**	**31,510**	**36,151**	**40,176**

Source: Company, JM Financial

Exhibit 65. Tata Chemicals EBITDA bridge for incremental EBITDA over FY25-28E (INR mn)



Source: Company, JM Financial

Anti-dumping duties to provide pricing cushion

The Directorate General of Trade Remedies (DGTR) has recommended a 5-year anti-dumping duty (ADD) on soda ash imports from Turkey, Russia, the US, and Iran. The duties range from USD 17–113/MT depending on the producer and country of origin/export. These duties will increase realisation of imports from these countries from USD 186–220/MT in FY25 to an expected USD 275–323/MT post-ADD. In our view, these duties are expected to provide Tata Chemicals a cushion in terms of pricing, through the curb of aggressive dumping.

- **DGTR imposes ADD on soda ash imports for 5 years:** The DGTR has recommended anti-dumping duty (ADD) on soda ash imports from Turkey, Russia, the US, and Iran for a period of 5 years. The duty ranges from USD 17–113/MT, depending on the country and the manufacturer (refer **Exhibit 66**). India imported 691,921MT, 532,811MT, and 635,888MT of soda ash in FY21, FY22 and Apr'22-Sep'23 (1QFY23-2QFY24) respectively, with Apr'22-Sep'23 being the Period Of Investigation (POI) for evaluating anti-dumping duties (refer **Exhibit 67**).

Exhibit 66. Anti-dumping duties levied recently range from USD 17-113/MT

Country of Origin	Country of Export	Producer	Duty Amount (USD/MT)
Turkey	Any	ETI Soda Uretim Pazarlama Nakliyat Ve Elektrik Uretim	69
Turkey	Any	Kazan Soda Elektrik Uretim A.S.	69
Turkey	Any	Turkey Sise ve Cam Fabrikalari Anonim Sirketi	17
Turkey	Any	Other producers from Turkey	113
Any country other than Turkey, USA, Russia, and Iran	Turkey	Any	113
Russia	Any	Joint Stock Company Bashkir Soda Company	40
Russia	Any	Joint Stock Company Berezniki Soda Factory	40
Russia	Any	Other producers from Russia	89
Any country other than Turkey, USA, Russia, and Iran	Russia	Any	89
USA	Any	Sisecam Wyoming LLC	27
USA	Any	Any other producer from USA	79
Any country other than Turkey, USA, Russia, and Iran	USA	Any	79
Iran	Any	Any producer	88
Any country other than Turkey, USA, Russia, and Iran	Iran	Any producer	88

Source: Industry, JM Financial;

Exhibit 67. Soda ash imports from various countries

Soda ash imports - country wise (MT)	FY21	FY22	Import Volumes for 1QFY23-2QFY24
USA	195,753	81,801	112,924
Turkey	85,013	104,450	133,639
Iran (including subject goods imported from UAE)	120,908	78,289	59,740
Russia	87,836	51,867	71,194
Other countries	202,411	216,404	258,391
Total Imports	**691,921**	**532,811**	**635,888**

Source: Industry, JM Financial

- **Post ADD, import realisation from subject countries likely to be USD 275-323/MT:** The countries that have been dumping soda ash into India have been doing at values below the non-injury price (domestic sales price) according to the DGTR. The realisation of imported volumes from the dumping entities for FY25 were ~USD 186-220/MT, based on our analysis. We calculate post-ADD prices assuming dumping prices remain the same in FY26 (as of FY25), and considering the highest dumping duty applicable to each country. Considering the highest level of ADD applicable, the ADD to be levied ranges from USD 79-113/MT. Post application of these ADDs, the rates at which these imported soda ash volumes will be sold are likely to be in the range of USD 275-323/MT, based on our calculations.

- **Post-ADD prices likely to offer pricing cushion for Tata Chemicals:** Based on our calculations, the company is likely to have had a soda ash realisation of ~USD 320/MT in FY25, which, we believe, could increase to ~USD 337/MT by FY26, based on long-term price trends. After imposition of the ADDs, the realisations of soda ash imported from the dumping countries is likely to be in the range of USD 275-323/MT, based on our calculations. In our view, the curb in aggressive dumping is expected to offer the company a cushion in terms of realisations going ahead.

2QFY26E Preview

For 2QFY26, we expect Tata Chemical's consolidated sales to grow by ~8%/1% QoQ/YoY on account of sequential growth in basic chemicals and specialty segments. We expect EBITDA margin to decrease by ~55bps QoQ and improve by 144bps YoY. As a result, EBITDA is likely to expand by 4.7%/9.9% QoQ/YoY and come in at ~INR 6.8bn. Further, we expect consolidated PAT after minority interest at INR 2.4bn.

Exhibit 68. Tata Chemicals quarterly financial snapshot

Consolidated (INR mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26E	% QoQ	% YoY
Net Sales	42,180	39,980	37,300	34,750	37,890	39,990	35,900	35,090	37,190	40,200	8.1%	0.5%
COGS	7,080	8,190	6,970	4,770	7,980	8,570	5,140	7,090	7,330	8,321	13.5%	-2.9%
Gross Profit	**35,100**	**31,790**	**30,330**	**29,980**	**29,910**	**31,420**	**30,760**	**28,000**	**29,860**	**31,879**	**6.8%**	**1.5%**
Gross margin	83.2%	79.5%	81.3%	86.3%	78.9%	78.6%	85.7%	79.8%	80.3%	79.3%	-99 bps	73 bps
Employee cost	4,580	4,540	4,690	4,790	4,770	5,010	5,270	4,840	5,170	5,588	8.1%	11.5%
Employee cost as % of sales	11%	11%	13%	14%	13%	13%	15%	14%	14%	14%	0 bps	137 bps
Other expenditure	20,090	19,060	20,220	20,760	19,400	20,230	21,150	19,890	18,200	19,497	7.1%	-3.6%
Other expenditure as % of sales	48%	48%	54%	60%	51%	51%	59%	57%	49%	49%	-44 bps	-209 bps
EBIDTA	**10,430**	**8,190**	**5,420**	**4,430**	**5,740**	**6,180**	**4,340**	**3,270**	**6,490**	**6,793**	**4.7%**	**9.9%**
EBITDA margin	25%	20%	15%	12.7%	15.1%	15.5%	12.1%	9.3%	17.5%	16.9%	-55 bps	144 bps
Depreciation	2,290	2,340	2,460	2,710	2,730	2,770	2,800	2,930	2,800	2,800	0.0%	1.1%
EBIT	8,140	5,850	2,960	1,720	3,010	3,410	1,540	340	3,690	3,993	8.2%	17.1%
Interest expense	1,230.0	1,450.0	1,320.0	1,300.0	1,330.0	1,450.0	1,480.0	1,370.0	1,470.0	1,470.0	0.0%	1.4%
Other income	490	850	380	1,140	470	1,080	280	420	960	650	-32.3%	-39.8%
Exceptional items & share of JV	180.0	900.0	600.0	-9,750.0	690.0	440.0	-380.0	-130.0	420.0	420.0		
PBT	7,400	5,250	2,020	1,560	2,150	3,040	340	-610	3,180	3,173	-0.2%	4.4%
Tax	1,710.0	1,200.0	680.0	220.0	940.0	810.0	170.0	-250.0	440.0	898.3	104.2%	10.9%
PAT before MI	**5,870**	**4,950**	**1,940**	**-8,410**	**1,900**	**2,670**	**-210**	**-490**	**3,160**	**2,695**	**-14.7%**	**0.9%**
Minority interest	550	670	360	90	400	730	320	-170	640	300		
PAT after MI	**5,320**	**4,280**	**1,580**	**-8,500**	**1,500**	**1,940**	**-530**	**-320**	**2,520**	**2,395**		
PAT margin	14%	12%	5%	-24.2%	5.0%	6.7%	-0.6%	-1.4%	8.5%	6.7%	-179 bps	3 bps
Basic EPS (INR)	20.88	16.80	6.20	-33.37	5.89	7.62	-2.08	-1.26	9.89	9.40	-5.0%	23.4%
Tax rate	23.1%	22.9%	33.7%	14.1%	43.7%	26.6%	50.0%	41.0%	13.8%	28.3%	1447 bps	166 bps

Source: Company, JM Financial

Exhibit 69. Tata Chemicals quarterly segmental snapshot

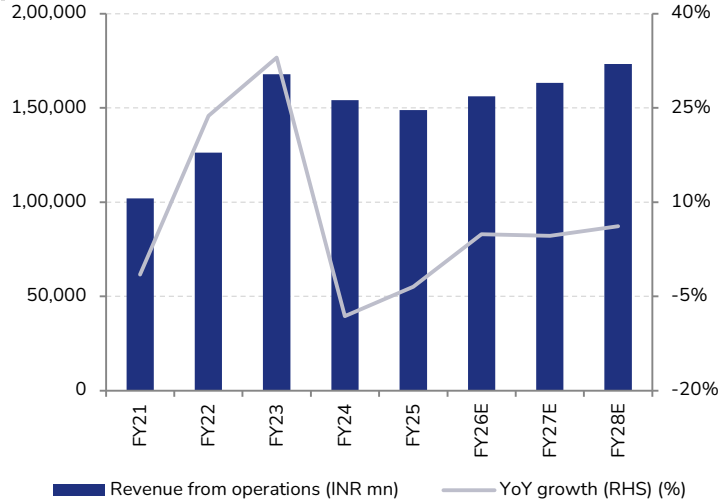
INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26E	%QoQ	%YoY
INR mn												
Basic Chemistry products	33,860	31,210	31,010	30,050	29,720	30,400	30,310	30,370	27,220	28,800	5.8%	-5.3%
Specialty products	8,330	8,780	6,290	4,710	8,190	9,620	5,620	4,720	10,010	11,400	13.9%	18.5%
Intersegment revenue	-30	-40	-10	-30	-20	-30	-30	-10	-40	0	-100.0%	-100.0%
Unallocated	20	30	10	20	0	0	0	10	0	0	NA	NA
Total	**42,180**	**39,980**	**37,300**	**34,750**	**37,890**	**39,990**	**35,900**	**35,090**	**37,190**	**40,200**	**8.1%**	**0.5%**
% of overall revenues												
Basic Chemistry products	80%	78%	83%	86%	78%	76%	84%	87%	73%	72%	-155bps	-438bps
Specialty products	20%	22%	17%	14%	22%	24%	16%	13%	27%	28%	144bps	430bps
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**		

Source: Company, JM Financial

Financials

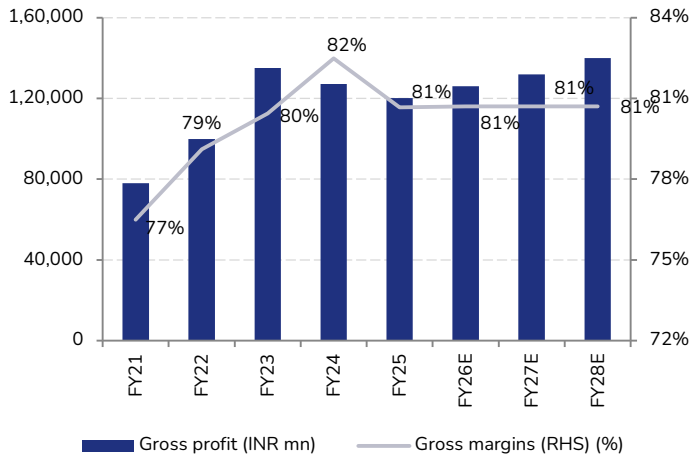
- **Tata Chemical's top line expected to register ~5.2% CAGR over FY25-28E:** We expect Tata Chemicals' top line to grow at a CAGR of ~5.2% over FY25–28E, driven primarily by the ramp-up of newly commissioned capacities in the India unit and growth in Rallis, together contributing ~INR 13.9bn and ~INR 12.1bn respectively in incremental revenue. However, this is expected to be partly offset by the revenue decline from the closure of the Lostock unit in the UK, resulting in a net consolidated increase of ~INR 24bn over the period.
- **Tata Chemical's EBITDA to register ~18% CAGR over FY25-28E along with margin improvement:** Tata Chemicals' EBITDA is projected to grow at ~18% CAGR over FY25–28E, supported by margin expansion and volume growth. The India unit is expected to remain the largest driver, adding ~INR 6bn in incremental EBITDA, while the UK unit is set for a sharp turnaround post the closure of the inefficient Lostock unit, contributing ~INR 2.2bn in incremental EBITDA. Rallis is expected to deliver ~INR 2.4bn in incremental EBITDA, with the US and Kenya businesses together adding ~INR 1.7bn. Overall, consolidated EBITDA is estimated to rise by ~INR 12.2bn over FY25–28E.
- **Operating cash flows register healthy growth of ~18% CAGR over FY25-28E:** We expect operating cash flows to grow significantly in over FY25-28 on the back of closure of the loss-making Lostock unit and improvement in margins. Operating cash flow is expected to jump from ~INR 17.6bn in FY25 to INR ~25.7bn in FY26 on account of lower expenses and improved margins arising from closing of the Lostock unit. Over FY25-28, the OCF is expected to grow from INR 17.6bn to INR 28.6bn. Further, improvement in top line due to ramp-up of newly added capacities in India and cost reduction due to operating leverage is also expected to boost OCF generation. Free cash flow to firm was negative for FY25 at INR -2.4bn, but is expected to grow to INR 20.9bn by FY28, on the back of healthy OCF generation, and relatively lower capex cycle.
- **Tata Chemicals to see ~73% EPS CAGR over FY25-28E:** Tata Chemicals' PAT is expected to deliver a sharp recovery, growing at ~73% CAGR over FY25–28, albeit on a low base in FY25 due to losses in the UK business. Growth is expected to be supported by top line expansion as well as margin improvement, with PAT (after minority interest) projected to rise from ~INR 2.35bn in FY25 to ~INR 12.1bn in FY28E.

Exhibit 70. Tata Chemicals' sales to see ~5% CAGR over FY25-28E...



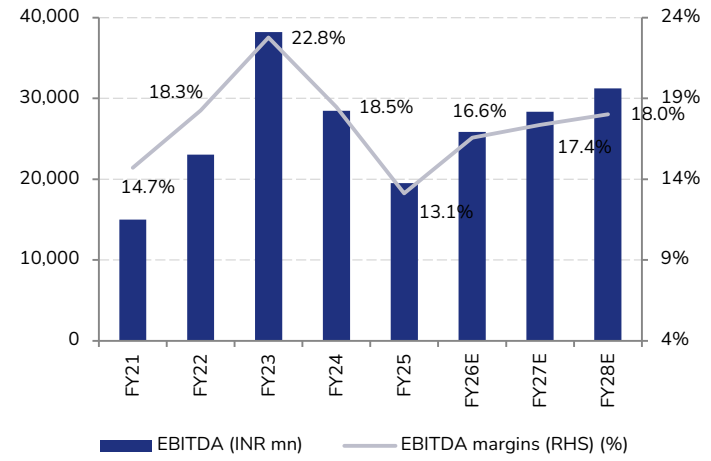
Source: Company, JM Financial

Exhibit 71. ...and gross profit to rise by ~5% CAGR over FY25-28E



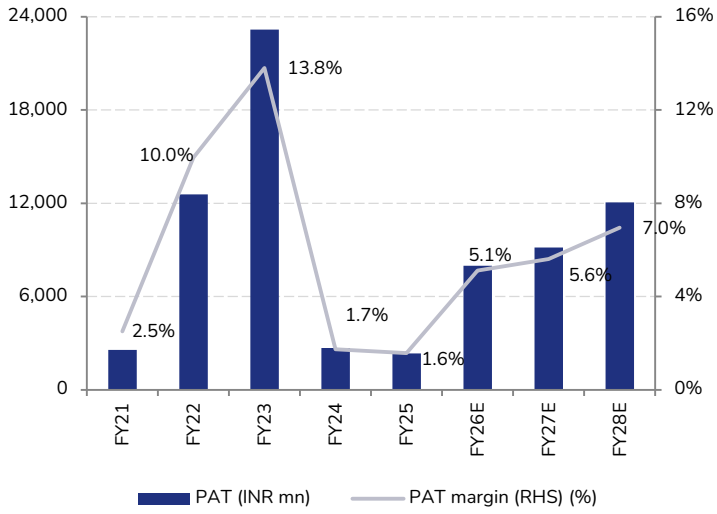
Source: Company, JM Financial

Exhibit 72. Tata Chemicals' EBITDA to show ~17% CAGR over FY25-28E...



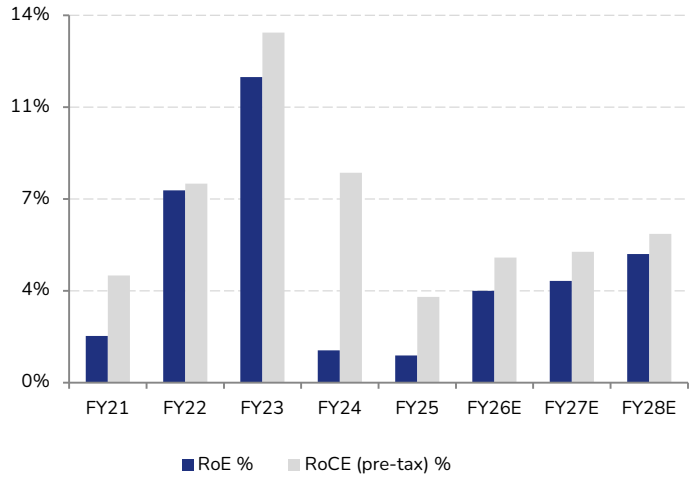
Source: Company, JM Financial

Exhibit 73. ...and PAT likely to witness ~73% CAGR over FY25-28E



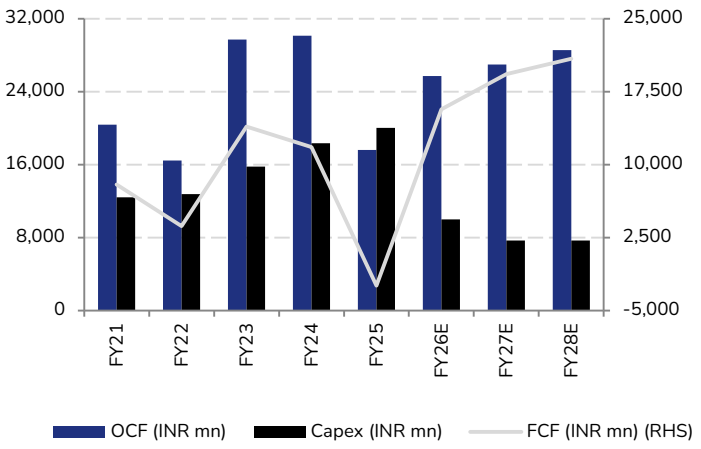
Source: Company, JM Financial

Exhibit 74. RoE/RoCE likely to see improvement from FY26E



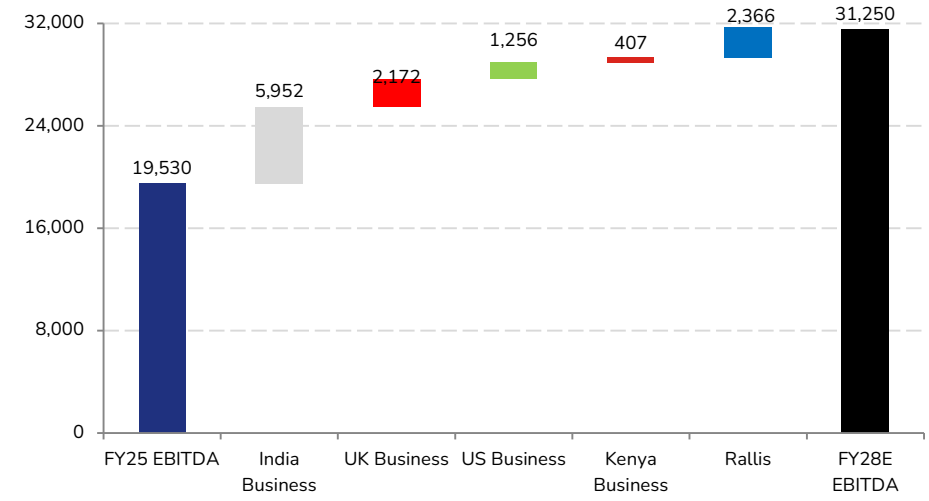
Source: Company, JM Financial

Exhibit 75. OCF to grow at a CAGR of ~18% over FY25-28E



Source: Company, JM Financial

Exhibit 76. Tata Chemicals EBITDA bridge for incremental EBITDA over FY25-28E (INR mn)



Source: Company, JM Financial

Tata Chemicals: Diversified chemicals leader with global scale

Tata Chemicals Ltd (TCL), part of the Tata Group, is a leading chemicals company with a strong presence in the soda ash industry. The company operates 15 manufacturing facilities and 3 R&D centres across 5 countries - India, North America, the UK, South Africa, and Kenya, with manufacturing facilities strategically located in Mithapur (India), Green River (US), Northwich (UK), and Magadi (Kenya) among others and has 176 patents to its name. Its portfolio spans across soda ash, bicarbonates, salt, cement, specialty silica, nutraceuticals, and agri-inputs. With a presence across 95 countries, Tata Chemicals caters to industries such as glass, detergents, chemicals, textiles, food, pharma, agriculture, and energy. With a strong presence across the soda ash value chain and a sustained focus on sustainability, the company has positioned itself as a diversified and resilient global chemicals player.

- **Global leader in soda ash with integrated portfolio across allied chemicals:** TCL is among the world's top three soda ash producers (ex-China), with an annual capacity of ~4MMT across India, the US, and Kenya. Its product portfolio also includes sodium bicarbonate, cement, marine chemicals, edible and industrial salt, Fructo-oligosaccharide (FOS), agri-inputs, and specialty silica. These products serve diverse end-markets ranging from glass, detergents, and textiles to pharmaceuticals, food processing, and construction, ensuring stable multi-sector demand visibility.
- **Part of the Tata Group—pedigree of governance, financial discipline, and global brand strength:** Backed by the Tata Group, India's largest conglomerate, TCL benefits from strong governance, solid ethical practices, and access to global customer relationships. Over the years, TCL has expanded its footprint across India, the US, UK, South Africa, and Kenya, building one of the most geographically diversified soda ash portfolios globally along with disciplined capital allocation and emphasis on sustainability
- **Strategic focus on specialty chemicals and sustainability-driven adjacencies:** TCL is actively diversifying into higher-value products such as specialty silica, nutraceuticals, and energy-efficient materials, while leveraging its soda ash backbone. Sustainability initiatives, including circular economy projects like cement from industrial waste and green chemistry innovations, form a core part of its growth strategy, aligning with global decarbonisation trends and customer ESG requirements.
- **Global presence ensures scale, resilience, and customer proximity:** With operations across four continents and a marketing presence in over 95 countries, TCL enjoys a geographically diversified revenue base. Its scale and integration allow it to serve global majors across glass, detergent, and food industries while mitigating regional demand-supply imbalances. This geographic spread enhances resilience against localised market and regulatory pressures.
- **Integrated and resource-efficient operations underpin cost competitiveness:** TCL's operations are backward integrated into key resources such as limestone, brine, natural soda ash mining and captive power generation. Its US and Kenya operations benefit from natural soda ash reserves and integrated mining operations. This integration enables cost control, reliable supply, and consistent quality, strengthening TCL's competitive positioning in global soda ash markets.

Manufacturing facilities

Tata Chemicals possesses manufacturing capabilities across basic chemistries primarily involving the sodium value chain which includes soda ash, bicarb and salt. The company operates manufacturing facilities spanning India, US, UK, and Kenya, providing the company with a globally diversified manufacturing base with wide reach. The company also has footprints in cement, power, and specialty products like prebiotics and specialty silica. Tata Chemicals operates 3 R&D centres in India and owns 176 patents, supporting the business in terms of innovation and sustainability..

- **Mithapur site manufactures soda ash, sodium bicarbonate, marine chemicals, and salt:** Commissioned in 1939, Mithapur (Gujarat) remains Tata Chemicals' largest integrated chemicals complex. In FY25, the site commissioned an additional 0.23MMTPA soda ash and 0.14MMTPA sodium bicarbonate, taking total installed capacities to ~1.1MMTPA for soda ash and 0.29MMTPA for sodium bicarbonate. The complex also produces 1.6MMTPA salt and 0.5MMTPA cement.

- **Specialty chemicals and nutrition verticals in South India:** Production sites in Andhra Pradesh and Tamil Nadu manufacture 5,000MTPA prebiotics (Fructo-oligosaccharide) and 10,800MTPA specialty silica (Highly Dispersible Silica), positioning Tata Chemicals in fast-growing segments such as performance materials and nutrition science. These plants complement the company's portfolio with specialty and high-margin chemistries.

- **US and Kenya operations make use of cost-efficient natural soda ash sources**: Tata Chemicals has manufacturing units in UK, US and Kenya, as well. The Green River, Wyoming facility in the USA is one of the world's largest natural soda ash sites with 2.54MMTPA capacity, providing the company cost advantages and enabling sustainable production. In Kenya, the Magadi plant is capable of producing 0.35MMTPA soda ash capacity, and is expected to double to 0.7MMTPA, going ahead. The US and Kenya units both manufacture soda ash from trona ore, which is a natural source, thereby providing the company with cost advantages and sustainable production.

- **UK operations to transition to value added products like pharma salt and pharma bicarb:** In the UK, operations are transitioning from basic chemistries to higher margin chemistries. The company ceased soda ash and bicarb production at Lostock in FY25 and commissioned a new 70,000MTPA pharma-grade salt plant at Middlewich, while the existing salt and bicarb capacity totals 430,000MTPA and 90,000MTPA, respectively. Tata Chemicals also operates CCU (Carbon Capture Unit) and CHP (Combined Heat and Power) plants in the UK.

- **Integrated R&D to support growth:** As of FY25, Tata Chemicals operates three integrated R&D centres with the company holding 176 patents across global markets, underlining its emphasis on innovation.

Exhibit 77. Tata Chemicals manufacturing facilities as of FY25

Region	Product	Capacity (MTPA)
India	Soda Ash	10,91,000
India	Sodium Bicarbonate	2,90,000
India	Salt	16,00,000
India	Cement	5,00,000
India	Prebiotics	5,000
India	Silica	10,800
UK	Soda Ash (ceased Lostock)	—
UK	Salt	4,30,000
UK	Pharma Salt	70,000
UK	Sodium Bicarbonate	90,000
USA	Soda Ash	25,40,000
Kenya	Soda Ash	3,50,000

Source: Company, JM Financial

Board of Directors and Key Managerial Personnel

Board of Directors

S. Padmanabhan serves as the Chairman, and a Non-Executive, Non-Independent Director of Tata Chemicals Limited. He is a Gold Medallist from PSG College of Technology, Coimbatore, a distinguished alumnus of IIM Bangalore, and has completed the Advanced Management Program at Harvard Business School. His career with the Tata Group spans over 35 years, including a 26-year tenure at Tata Consultancy Services where he held several senior leadership roles. He has also served as Executive Director of Tata Power and as Group Chief Human Resources Officer at Tata Sons. Mr. Padmanabhan currently serves as Executive Chairman of the Tata Business Excellence Group (TBExG) and Head of Ethics, and is on the Boards of several Tata companies. He was appointed as a Non-Executive Director of Tata Chemicals Limited in December 2016.

Padmini Khare Kaicker is a Non-Executive Independent Director of Tata Chemicals Limited. She is a Chartered Accountant from the Institute of Chartered Accountants of India, a Certified Public Accountant (USA), and holds a Diploma in Business Finance from the Institute of Chartered Financial Analysts of India. Ms. Kaicker is the Managing Partner of B. K. Khare & Co., one of India's leading accounting firms. She brings extensive experience in audit, taxation, corporate finance, risk management, corporate governance, mergers and acquisitions, and restructuring. She serves on the Boards of several companies and has been a Non-Executive Independent Director of Tata Chemicals since Apr'18.

Dr. C. V. Natraj serves as a Non-Executive Independent Director of Tata Chemicals Limited. He holds a Ph.D. in Chemistry from the Indian Institute of Science, Bangalore, and has postdoctoral research experience in biochemistry from the University of Michigan, Ann Arbor. Dr. Natraj has over 30 years of research experience, having headed the research function as Director on the Board of Hindustan Lever Limited and later leading Corporate Research at Unilever as Senior Vice President. He is currently Technical Advisor to the Society for Innovation and Development at the Indian Institute of Science. He was appointed as a Non-Executive Independent Director of Tata Chemicals Limited in August 2019.

K. B. S. Anand serves as a Non-Executive Independent Director of Tata Chemicals Limited. He is a Mechanical Engineer from IIT Bombay (1977) and holds a Post Graduate Diploma in Business Management with a specialization in Marketing from IIM Kolkata (1979). Mr. Anand joined Asian Paints Limited in 1979, where he worked across Sales and Marketing in the Architectural Coatings, Chemicals, and Industrial Products businesses. He became Head of the Decoratives Business in 2009 and went on to serve as Managing Director & CEO of Asian Paints Limited from April 1, 2012, until his superannuation on March 31, 2020. He currently serves on the Boards of Marico Limited and Borosil Glass Works Limited. He was appointed as a Non-Executive Independent Director of Tata Chemicals in October 2019.

Rajiv Dube serves as an Independent Non-Executive Director of Tata Chemicals Limited, appointed in September 2020. He is an engineer with a post-graduate degree in Business Management, and brings over 40 years of leadership experience across the Tata and Aditya Birla groups. He has held senior roles including President of Tata Motors' car business and Executive Director on the Group Board of the Aditya Birla Group. Mr. Dube also serves on the Boards of several Tata Group companies and other reputed organisations in India and overseas like Simto Investment Company Limited, Tata Chemicals North America, Tata Africa Holding (South Africa) Pte. Ltd, Axium Global Pty Ltd. (Australia), Alluvium International Pty Ltd. (Australia), and Magic Bus India Foundation (Section 8 Company) and on the advisory board of certain institutes.

Modan Saha serves as an Additional Director (Non-Executive, Non-Independent) on the Board of Tata Chemicals Limited, appointed in May'25. He currently leads select Strategic Initiatives at Tata Sons and has previously served as the founding Director & CEO – Financial Services at Tata Digital and as CEO of Tata Strategic Management Group. An Aerospace Engineer from IIT Kharagpur with an MBA from IIM Calcutta, he brings over 17 years of experience in banking and financial services across Axis Bank, UBS Singapore, and ICICI Bank. Mr. Saha also serves on the Boards of Tata Business Hub Limited and Ferbine Private Limited.

R. Mukundan is the Managing Director and CEO of Tata Chemicals Limited. An engineer from IIT Roorkee and an MBA graduate from FMS, Delhi University, he is also an alumnus of the Harvard Business School. Mr. Mukundan joined the Tata Administrative Service in 1990 and has over 30 years of experience across strategy, business development, manufacturing, and general management. During his career with the Tata Group, he has held senior responsibilities across the chemical, automotive, and hospitality sectors. He also serves on executive committees of various industry forums.

Key Managerial Personnel

R. Mukundan is the Managing Director and CEO of Tata Chemicals Limited. An engineer from IIT Roorkee and an MBA graduate from FMS, Delhi University, he is also an alumnus of the Harvard Business School. Mr. Mukundan joined the Tata Administrative Service in 1990 and has over 30 years of experience across strategy, business development, manufacturing, and general management. During his career with the Tata Group, he has held senior responsibilities across the chemical, automotive, and hospitality sectors. He also serves on executive committees of various industry forums.

Nandakumar S. Tirumalai is the Chief Financial Officer of Tata Chemicals Limited. He joined the Tata Group in 2012 with Tata Power and later held senior finance leadership roles at Titan Company before moving to Tata Chemicals. He is a Chartered Accountant with nearly three decades of experience spanning treasury, investor relations, financial controllership, business finance, M&A, and subsidiary management across diverse industries including FMCG, agri-commodities, financial services, textiles, apparel, infrastructure, and retail. He has previously worked with ABB, ITC, Reliance Securities (as CFO), and Raymond.

Rajiv Chandan is the Chief General Counsel and Company Secretary of Tata Chemicals Limited. A fellow member of the Institute of Company Secretaries of India, with master's degree in commerce and a law degree from the University of Mumbai, he oversees legal, company secretarial, and corporate governance functions. With over 25 years of experience across industries such as paper, automobiles, logistics, cement, chemicals, FMCG, and fertilisers, he has deep expertise in corporate laws, compliance, litigation, and cross-border M&A. Prior to Tata Chemicals, he was Vice President – Legal and Company Secretary at Lafarge Cement India.

KR Venkatadari is the Chief Commercial Officer of Tata Chemicals Limited. He leads supply chain, procurement, logistics, and contracts, and has been instrumental in driving digital transformation across SCM and procurement. Over his career in the Tata Group, he has held senior leadership roles including COO of the Nutrition Science Business, Chief Innovation & Digital Officer at Tata Chemicals, and COO of Rallis India. A gold medallist from IIM Lucknow and a qualified Master Certified Coach (ICF), he also continues to serve as a Board Member on a JV of Tata Chemicals.

Subodh Srivastav is the Chief Marketing Officer of Tata Chemicals Limited. An IIT-BHU engineer with a management degree from FMS Delhi, he has over 29 years of experience in sales, marketing, and general management. Since joining Tata Chemicals in 2013, he has held leadership roles in the consumer products, including the salt category and heading the national sales function. Prior to his current role at Tata Chemicals, he has served as MD & CEO of Tata Chemicals Magadi, and has also worked with ICI, DuPont, Pepsi, and Idea Cellular.

Rajesh Kamat is the Vice President – Strategy and Corporate Projects at Tata Chemicals Limited. A Chemical Engineer from UDCT (now ICT), Mumbai, and an MBA from IIM Ahmedabad, he brings nearly three decades of experience across consulting and industry. Mr. Kamat began his career with the Tata Strategic Management Group, where he partnered with several Tata Group companies on strategy development and mergers and acquisitions. He has also worked with leading consulting firms, specializing in strategy, operations, and supply chain. At Tata Chemicals, he has held key leadership positions, including Vice President and Head of Sales. He actively contributes to industry forums as a member of the Confederation of Indian Industry (CII), the Indian Chemical Council, and the Alkali Manufacturers Association of India.

Key risks

- **Underwhelming ramp-up/off-take of new capacities:** One of the main growth drivers for Tata Chemicals over FY25-28 is expected to be the ramp-up of its newly added capacities in its India business. However, any delay in ramp-ups or less-than-expected volume off-take could hamper the growth of its Indian business and overall consolidated top line and EBITDA of Tata Chemicals.
- **Slower or less-than-expected recovery in global soda ash market:** The global soda ash market is currently subdued, leading to lower utilisation and weak realisation for soda ash players like Tata Chemicals. The prices and supply demand mismatch is expected to recover on the back of demand revival from both traditional and new-age sectors along with capacity rationalisation. However, any delay or slower-than-expected recovery in one or more of the mentioned factors can lead to less-than-expected top line and profitability for Tata Chemicals.
- **Less-than-expected improvement in margins:** Tata Chemicals EBITDA growth is expected to be mainly driven by improvements in its EBITDA margin. However, any unexpected increase in costs like power & fuel or freight due to external factors such as geopolitical uncertainties can pose significant downside risks to Tata Chemicals' growth trajectory.
- **Lower than expected soda ash realizations**: A faster-than-anticipated increase in supply from Inner Mongolia capacity in China, or slower-than-expected capacity shutdowns in China or Europe, could lead to oversupply in the global market. This may exert downward pressure on prices, resulting in lower-than-expected soda ash realizations for Tata Chemicals.

Financial Tables (Consolidated)

Income Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,54,210	1,48,870	1,56,126	1,63,362	1,73,420
Sales Growth	*-8.1%*	*-3.5%*	*4.9%*	*4.6%*	*6.2%*
Other Operating Income	0	0	0	0	0
Total Revenue	**1,54,210**	**1,48,870**	**1,56,126**	**1,63,362**	**1,73,420**
Cost of Goods Sold/Op. Exp	27,010	28,780	30,132	31,529	33,470
Personnel Cost	18,600	19,890	20,765	21,482	22,475
Other Expenses	80,130	80,670	79,374	82,008	86,224
EBITDA	**28,470**	**19,530**	**25,854**	**28,343**	**31,250**
EBITDA Margin	*18.5%*	*13.1%*	*16.6%*	*17.4%*	*18.0%*
EBITDA Growth	*-25.5%*	*-31.4%*	*32.4%*	*9.6%*	*10.3%*
Depn. & Amort.	9,800	11,230	12,428	13,330	13,705
EBIT	18,670	8,300	13,426	15,014	17,545
Other Income	2,860	2,250	1,751	1,750	1,636
Finance Cost	5,300	5,630	5,561	4,469	2,949
PBT before Excep. & Forex	16,230	4,920	9,616	12,295	16,232
Excep. & Forex Inc./Loss(-)	-8,750	-920	750	0	0
PBT	7,480	4,000	10,366	12,295	16,232
Taxes	3,810	1,670	2,019	2,582	3,409
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-990	20	-360	-560	-760
Reported Net Profit	2,680	2,350	7,987	9,153	12,064
Adjusted Net Profit	**11,430**	**3,270**	**7,237**	**9,153**	**12,064**
Net Margin	*7.4%*	*2.2%*	*4.6%*	*5.6%*	*7.0%*
Diluted Share Cap. (mn)	254.8	254.8	254.8	254.8	254.8
Diluted EPS (INR)	**44.9**	**12.8**	**28.4**	**35.9**	**47.4**
Diluted EPS Growth	*-50.7%*	*-71.4%*	*121.3%*	*26.5%*	*31.8%*
Total Dividend + Tax	3,821	2,802	2,802	2,802	2,802
Dividend Per Share (INR)	15.0	11.0	11.0	11.0	11.0

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,22,410	2,15,940	2,21,124	2,27,475	2,36,736
Share Capital	2,550	2,550	2,550	2,550	2,550
Reserves & Surplus	2,19,860	2,13,390	2,18,574	2,24,925	2,34,186
Preference Share Capital	0	0	0	0	0
Minority Interest	8,730	9,070	10,970	13,070	15,370
Total Loans	50,640	63,040	54,040	40,040	22,040
Def. Tax Liab. / Assets (-)	23,750	25,410	25,410	25,410	25,410
Total - Equity & Liab.	**3,67,563**	**3,77,803**	**3,77,021**	**3,72,692**	**3,67,949**
Net Fixed Assets	1,78,370	1,92,180	1,89,752	1,84,089	1,78,050
Gross Fixed Assets	1,19,350	1,41,530	1,70,660	1,78,327	1,85,993
Intangible Assets	94,460	97,540	97,540	97,540	97,540
Less: Depn. & Amort.	62,370	73,230	85,658	98,988	1,12,693
Capital WIP	22,170	19,130	0	0	0
Investments	8,350	8,720	8,720	8,720	8,720
Current Assets	1,80,843	1,76,903	1,78,549	1,79,883	1,81,178
Inventories	25,240	25,580	26,827	28,070	29,798
Sundry Debtors	19,000	19,000	19,926	20,850	22,133
Cash & Bank Balances	4,253	5,483	4,956	4,123	2,407
Loans & Advances	0	0	0	0	0
Other Current Assets	1,32,350	1,26,840	1,26,840	1,26,840	1,26,840
Current Liab. & Prov.	62,033	64,343	65,476	66,696	68,392
Current Liabilities	32,180	35,800	37,023	38,243	39,939
Provisions & Others	29,853	28,543	28,453	28,453	28,453
Net Current Assets	1,18,810	1,12,560	1,13,072	1,13,186	1,12,786
Total – Assets	**3,67,563**	**3,77,803**	**3,77,021**	**3,72,692**	**3,67,949**

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	8,160	5,540	11,906	13,835	17,772
Depn. & Amort.	9,800	11,230	12,428	13,330	13,705
Net Interest Exp. / Inc. (-)	3,400	4,500	4,431	3,339	1,819
Inc (-) / Dec in WCap.	3,320	-1,740	-1,039	-947	-1,316
Others	9,350	460	0	0	0
Taxes Paid	-3,870	-2,380	-2,019	-2,582	-3,409
Operating Cash Flow	**30,160**	**17,610**	**25,707**	**26,975**	**28,571**
Capex	-18,340	-20,050	-10,000	-7,667	-7,667
Free Cash Flow	*11,820*	*-2,440*	*15,707*	*19,308*	*20,905*
Inc (-) / Dec in Investments	7,030	-1,390	0	0	0
Others	5,210	4,630	1,130	1,130	1,130
Investing Cash Flow	**-6,100**	**-16,810**	**-8,870**	**-6,537**	**-6,537**
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-13,150	-1,830	-9,000	-14,000	-18,000
Others	-11,790	2,120	-8,364	-7,271	-5,751
Financing Cash Flow	**-24,940**	**290**	**-17,364**	**-21,271**	**-23,751**
Inc / Dec (-) in Cash	**-880**	**1,090**	**-527**	**-833**	**-1,716**
Opening Cash Balance	5,133	4,393	5,483	4,956	4,123
Closing Cash Balance	4,253	5,483	4,956	4,123	2,407

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	7.4%	2.2%	4.6%	5.6%	7.0%
Asset Turnover (x)	0.5	0.4	0.5	0.5	0.5
Leverage Factor (x)	1.5	1.5	1.5	1.5	1.4
RoE	5.4%	1.5%	3.3%	4.1%	5.2%

Key Ratios

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	873.0	847.6	868.0	892.9	929.3
ROIC	3.5%	1.8%	4.0%	4.4%	5.2%
ROE	5.4%	1.5%	3.3%	4.1%	5.2%
Net Debt/Equity (x)	0.2	0.2	0.2	0.1	0.0
P/E (x)	20.7	72.2	32.6	25.8	19.6
P/B (x)	1.1	1.1	1.1	1.0	1.0
EV/EBITDA (x)	9.9	15.1	11.1	9.8	8.4
EV/Sales (x)	1.8	2.0	1.8	1.7	1.5
Debtor days	45	47	47	47	47
Inventory days	60	63	63	63	63
Creditor days	69	71	74	74	75

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com
Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an “accredited investor” as such term is defined in National Instrument 45-106 Prospectus Exemptions and a “permitted client” as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.