

July 15, 2016

Buy Around:	₹ 458.50
SL:	₹ 422
Target:	₹ 505
Upside:	10%
Horizon:	1 Month

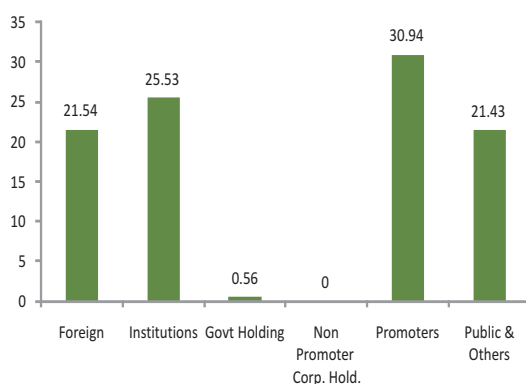
VALUE PARAMETERS

Current Mkt.Price (Rs.)	458.60
Face Value (Rs.)	10.00
52 Week High/Low	525.70/310.05
M.Cap (Rs. in Cr.)	11683.29
EPS (Rs.)	23.41
P/E Ratio (times)	19.59
P/B Ratio (times)	2.10
Dividend Yield (%)	2.18
Stock Exchange	BSE

STOCK DATA

BSE Code	500770
NSE Symbol	TATACHEM
Reuters	TTCH.BO
Bloomberg	TTCH IN

SHAREHOLDING PATTERN (MARCH 2016)



The consumer products business continues to grow and maintained its leadership position in the national branded edible salt market. In the fertiliser business, it continues to be under pressure due to subsidy outstanding of Rs 1,902 crore. Company is de-focusing on the fertiliser business due to the subsidy outstanding. Going forward, the company will focus on operational excellence and enhance the share of the foods business. The improved performance of all international geographies along with lower input costs for the Indian chemicals business took the operating profit to Rs 520 crore, a jump of 26 percent on a consolidated basis during the quarter (Qtr Ending Mar.16).

INVESTMENT ARGUMENTS

- Restructuring efforts as well as factors like low fuel cost aided revenue growth and margin expansion in the fourth quarter of FY16. The company reported a net profit of Rs 242.24 crore against a net loss of Rs 74.17 crore in the year-ago period. Total income rose to Rs 4,055.49 crore in the fourth quarter as against Rs 3766.14 during the corresponding quarter last year.
- A good monsoon forecast is good as farm-related businesses are still under pressure. The company continues to service its debt. According to the management, the consumer business continues to remain the growth driver for the company.
- Tata Chemicals Innovation Centre was set up with the objective of developing world-class R&D facility working on more than 20 projects in the areas of nanotechnology and biotechnology. It has now moved from being TCL-centric to a having a much wider base of clients, from the Tata group as well as external companies.

BUSINESS PROFILE

Tata Chemicals is a global company with interests in businesses that focus on living, industry and farm essentials. Tata Chemicals has been rated as one of the top 10% in Business and Consumer brands across all industry and consumer brand categories in India by Superbrands. The company produces soda ash and sodium bicarbonate. It is also active in fertilizer chemicals, agri input, water purifier, nutrition solu-tions and pulses. it is leader in branded salt in the country with 67.3% market share

TECHNICAL TRENDS



We recommend a buy in the stock of TATA CHEMICAL Limited for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs310.05 and 52 week high of Rs 525.70. Buy around at 458.50 with a closing below stop loss of Rs.422 levels for the target of Rs.505.

Note:

- Follow Strict Stop Loss.

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