

DATED-23-09-2008

CMP	Rs 265
FACE VALUE	Rs10
52 WEEK HIGH/ LOW	Rs 440/ Rs227.2
AVG VOL	482330
PE RATIO	6.8

COMPANY OVERVIEW:

TATA CHEMICAL is India's leading manufacturer of inorganic chemical. It also manufactures fertilizers and food additives. The Company was incorporated on 23rd January 1939, at Mumbai. The Company Manufacture salt, by-products of salt, alkalies, heavy chemicals and insecticides and flux technical and battery grades. Company has annual turnover of more than Rs5800 CRORE and is part of TATA group.

TCL operates the largest and most integrated inorganic chemicals complex in India, at Mithapur in Gujarat, a state in western India. A pioneer and market leader in the branded, iodized salt segment, the company manufactures salt that has a purity percentage of 99.8 per cent, the highest in the country. It is also among the largest producers of synthetic soda ash in the world.

The company's state-of-the-art fertilizer complex at Babrala in Uttar Pradesh, a state in northern India, has a remarkable record in energy efficiency. This facility, which makes urea, has won several awards in the fields of environmental conservation and safety.

TCL's phosphatic fertilizer complex at Haldia in West Bengal is currently the only manufacturing unit for DAP/NPK complexes in West Bengal. The Haldia plant has production volumes exceeding 1.2 million tons per annum. The fertilizers, sold under the brand name 'Paras', lead the market in West Bengal, Bihar and Jharkhand.

TCL's products go into numerous end-use applications in a variety of industries: glass, detergents, paper, textiles, agriculture, photography, pharmaceuticals, food, tanning, rayon, pulp, paints, building and construction, and chemicals. The company exports to a variety of world markets including South and Southeast Asia, the Middle East and Africa.

SOCIAL RESPONSIBILITY: TCL takes the greatest possible care to ensure the safety, health and welfare of its staff and the communities living around its facilities. Protecting the environment is a crucial component of this equation. The company is a signatory to Responsible Care, a voluntary global initiative of the chemical industry which calls on enterprises to demonstrate their allegiance to safety, health and environmental issues.

"What comes from the people must go back to the people many times over" — this principle is an inheritance from the founding fathers of the Tata Group. TCL honours its legacy through the Tata Chemicals Society for Rural Development (TCSR), established in 1979 for the benefit of the rural population in and around the company's plants and township.

FOREIGN ACQUISITION: TATA CHEMICAL acquired UK – based soda ash maker Brunner Mond in December '05, which owns plants in the UK, the Netherland and Kenya. It also holds one-third equity stake in a phosphoric acid manufacturing Moroccan company IMACID.

PRODUCT LINE: TCL products cater to all the needs of the customer. It is present in following segment:

- CHEMICAL
- FERTILIZER
- CONSUMER PRODUCT
- OTHER PRODUCTS

CHEMICAL: The chemical strategic business unit of TCL sees the following products:

- SODA ASH
- CEMENT
- CAUSTIC SODA
- BROMINE
- GYPSUM



FERTILISER:

Urea is an important nitrogenous fertilizer. Tata chemical makes urea at its fertilizer complex in Babrala. Through Tata Kissan Sansar (TKS), company educates the farmers at the grassroots level in the proper use of urea manufactured by it.



CONSUMER PRODUCT: TCL consumer products are:

- SALT
- CRYSTALLINE SALT
- SODIUM BICARBONATE
- COOKING SALT

SALT: TATA Salt was named the 'NO.1 Food Brand' in 2003.

CRYSTALLINE SALT: Smunder Crystal Salt is a refined, iodised, clean white crystal salt.

SODIUM BICARBONATE: The Company produces three varieties of sodium bicarbonates-sodium bicarbonates technical, sodium bicarbonates refined and sodium bicarbonates granules. The company markets its sodium bicarbonates products in India, the Middle East, Africa and Bangladesh.

COOKING SALT: TATA CHEMICAL has launched a branded cooking soda in small, single-use sachets under the brand name TATA Samunder Cooking soda. Cooking soda is an ingredient already familiar to Indian consumer but so far, it has only been available in an unbranded form and is purchased loose or in unmarked plastic pouches. Tata Samunder refined food grade soda bicarbonate (NaHCO_3) is pure and unadulterated and a value-for-money alternative to the unbranded product available in the market.

OTHER PRODUCT:

- CAUSTIC SODA TECHNICAL
- GYPSUM
- HYDROBROMIC ACID
- HYDROCHLORIC ACID
- LIQUID BROMINE
- LIQUID CHLORINE
- SODIUM BROMIDE(PHTOGRAPHIC GRADE)

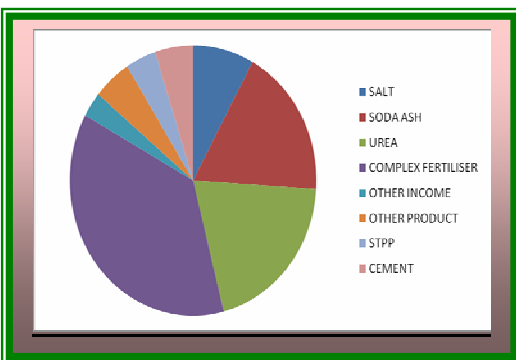
PLANT LOCATION AND THEIR CAPACITIES:

BABRALA PLANT: TCL Babrala plant is in Badaun district of Uttar Pradesh in northern India. The complex manufactures urea, a widely used chemical fertilizer and has a installed capacity of 864600 tons per annum, which consists of 12% of the total urea produced by the country's private sectors. The complex also houses ammonia plant with a capacity of 1520 tons per day.

MITHAPUR PLANT: The Mithapur plant is the largest integrated salt work plant and inorganic complex in this region. Its salt work are spread over 60 km and can produce over 2 million tons of solar salt, the base raw material for over 27 basic chemical that the company produces. It has the capacity to produce 2400 tons per day of soda ash, 1500 tons per day of vacuum evaporated salts and 33 other product.

HALDIA PLANT: The phosphatic fertilizer complex in Haldia is currently the only manufacturing unit for DAP/NPK complex in West Bengal. Fertilisers are sold under the brand name of 'Paras' in West Bengal, Bihar and Jharkhand. The Haldia facility has production volume exceeding 1.2 million tons per annum.

REVENUE MIX FROM DIFFERENT SEGMENTS:



SHAREHOLDING PATTERN:

PROMOTER	68207257	29.06%
MUTUAL FUND	31277131	13.32%
FI	308245	0.15%
INSURANCE	39103581	16.65%
FII	26322501	11.23%
GENERAL PUBLIC	69502387	29.61%
GRAND TOTAL	234721102	100%

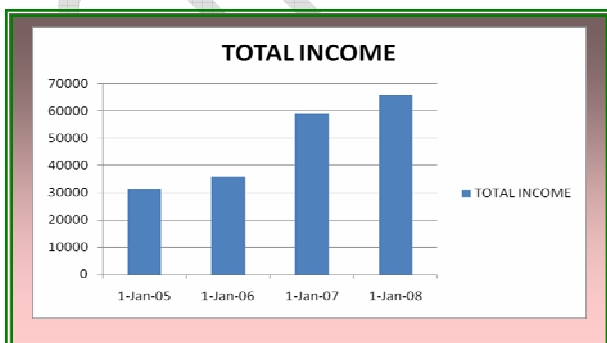


FINANCIAL:

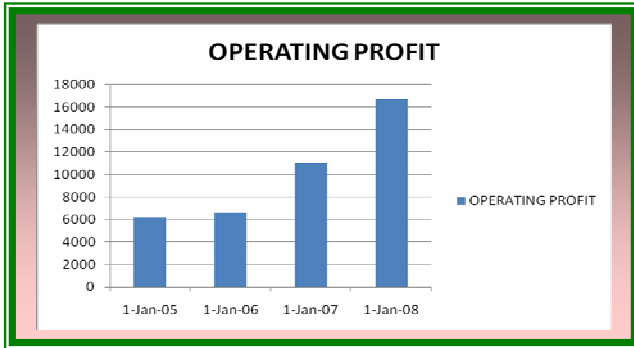
(Figure Rs million)

	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
TOTAL INCOME	65898	59073	35992.3	31098.8
EXPENDITURE	-49190.9	-48029.5	-29354.5	-24926.1
OPERATING PROFIT	16707.1	11043.5	6637.8	6172.7
DEPRECIATION	-3138	-2738.8	-1389.3	-1377
PBIT	13569.1	8304.7	5248.5	4795.7
INTEREST	-1288.8	-823.9	-92.9	-245.7
EXCEPTIOANL ITEM	-767	NIL	NIL	NIL
PBT	11513.3	7480.8	5155.6	4550
TAX	-2114.7	-2400.9	-1578.4	-1123.9
PAT	9398.6	5079.9	3577.2	3426.1

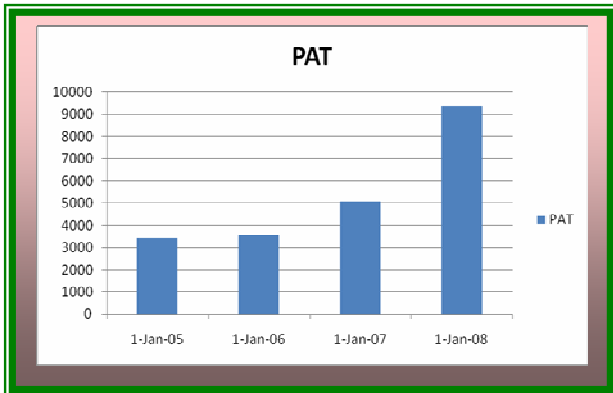
GROWTH IN TOTAL INCOME - TOTAL INCOME GREW AT CAGR OF 28.44% IN LAST 4 YEARS.



GROWTH IN OPERATING PROFIT - OPERATING PROFIT GREW AT CAGR OF 39.36% IN LAST FOUR YEARS.



GROWTH IN NET PROFIT - NET PROFIT GREW AT CAGR OF 39.98% IN LAST 4 YEARS.



RATIOS:

	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
GPM	25.35297	18.694666	18.442278	19.848676
NPM	14.262345	8.5993601	9.9387925	11.016824
INTEREST COVERAGE RATIO	10.528476	10.079743	56.496233	19.518519

Company has shown healthy growth rate in terms of income and profitability. TCL Gross profit margin has increased from 19.8 to 25.35 in 2008 and its net profit margin has also shown an increase from 11% to 14.26%. TCL interest coverage ratio is very comfortable at 10.5, this shows that company has enough cover for its interest payment.

GROWTH DRIVERS:

- Change in fertiliser policy to give major thrust to companies performance.
- TCL has aggressive expansion plan. Debottlenecking the project are under way at its urea plant as an inorganic plant, which will be completed by the end of September 2008. This will boost the TCL domestic soda ash capacity by 30% and urea capacity by 60%. Cement and salt capacity will also go up.
- Recently expanded the soda ash capacity in Kenya. Planning to set up another plant there.
- TCL planning to diversify in bio-fuel area, a logical step.
- The company is setting up 30 kilolitres per day sweet sorghum based ethanol facility at Nanded in Maharashtra, can be expanded to 100 klpd.

VALUATION: At the current market price of Rs271, the scrip is trading at 6.8 times forward EPS of 39.8 in FY2009. This makes the scrip very attractive on valuation basis. Being a Tata group company TCL holds equity in group companies such as TATA MOTORS, RALLIS INDIA, TCS, TATA TEA and TATA STEEL. From the current market value, TCL holding in these group companies come to be around Rs 60 per share. So one says the scrip is a real gem because discounting the value from current market price, one is getting the share at around Rs210/share.

CONCLUSION: Looking at the fundamental and valuation of the company, we are of view that it should be part of every investor portfolio.

HAPPY INVESTING.

Sources: we do not guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities, options, future or other derivatives related to such securities ("related investment"). Sharetipsinfo.com and its affiliates may trade for their own accounts as market maker/ jobber and /or arbitrageur in any securities of this issuer(s) or in related investments, and may be on the opposite side of public orders. Sharetipsinfo.com, its affiliates, directors, officers, and employees may have a long or short position in any securities of this issuer(s) or in related investment banking or other business from, any entity mentioned in this report. This research report is prepared for private circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial situation and the particular needs of any specific investing in any securities or investment

strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report.

Thanks,
Warm Regards,
www.ShareTipsInfo.com Team

Call at:-
+91-9891655316
+91-9899056796
+91-9891890425

Mail at:-
Contact@sharetipsinfo.com
sharetipsinfo_1@yahoo.com
sharetipsinfo@gmail.com