TATA CHEMICALS

Serving Society Through Science

73rd Annual Report - 2011-12

Contents

Annual General Meeting

Wednesday, 22nd August, 2012

Time : 3.00 p.m.

Venue : Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020

BOOK CLOSURE DATES : AUGUST 10, 2012 to AUGUST 22, 2012

Board of Directors

Ratan N. Tata | Chairman

R. Gopalakrishnan | Vice-Chairman

Nusli N. Wadia

Prasad R. Menon

Nasser Munjee

Dr. Yoginder K. Alagh

Eknath A. Kshirsagar

Dr. Y. S. P. Thorat

Cyrus P. Mistry

Dr. Vijay Kelkar

R. Mukundan | Managing Director

P. K. Ghose | Executive Director & CFO

General Counsel & Company Secretary
Rajiv Chandan

Auditors
Deloitte Haskins & Sells
Chartered Accountants

Solicitors
AZB & Partners | Mulla & Mulla and Craigie, Blunt & Caroe | Amarchand & Mangaldas & Suresh A. Shroff & Co.

Registrar & Share Transfer Agent
TSR Darashaw Limited
6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

Management Team

- R. Mukundan – Managing Director
- P. K. Ghose – Executive Director & CFO
- DeLyle Bloomquist – President, Global Chemicals Business
- Dr. Arup Basu – President, New Businesses & Innovation Centre
- R. Nanda – Vice President, Corporate Human Resources
- Sanjiv Lal – Vice President, Corporate Projects
- S. G. Choudhury – Chief Technology & Sustainability Officer
- S. C. Kalani – Vice President, Taxation & Insurance
- T. Vinod Kumar – Chief Audit & Risk Officer
- Ranjeev Lodha – Vice President, Finance
- Rajiv Chandan – General Counsel & Company Secretary
- N. K. Uppal – Chief Information Officer

India Operations

- Zarir Langrana – Chief Operating Officer, Chemicals (India)
- Ashvini Hiran – Chief Operating Officer, Consumer Products Business
- D. K. Sundar – Senior Vice President, Marketing & Commercial (Fertilisers)
- Vinay K. Bhatia – Senior Vice President, Manufacturing & Projects (Fertilisers)
- Ranjeet Singh Chhabra – Vice President, Sales & Marketing (Fertilisers)
- M. Ravindranath – Vice President, Manufacturing (Mithapur Plant)
- O. P. Tripathi – Vice President, Manufacturing (Babrala Plant)
- Amir Alvi – Vice President, Manufacturing (Haldia Plant)

International Operations

- Christopher Douville – Vice President & General Manager, Tata Chemicals North America
- Dr. Martin Ashcroft – Managing Director, Tata Chemicals Europe
- Mike Odera – Managing Director, Tata Chemicals Magadi Limited
- Randy Pitts – Plant Manager, Tata Chemicals North America
- Peter Houghton – Operations Director, Tata Chemicals Europe
- Paul Peterson – Director of Manufacturing, Tata Chemicals Magadi Limited

The changing face of Tata Chemicals

Some enterprises grow vertically, others horizontally. Tata Chemicals has done both, and more, over the past six years. And it is now positioning itself as a provider of solutions that address tomorrow's food, water, health and climate-change challenges.

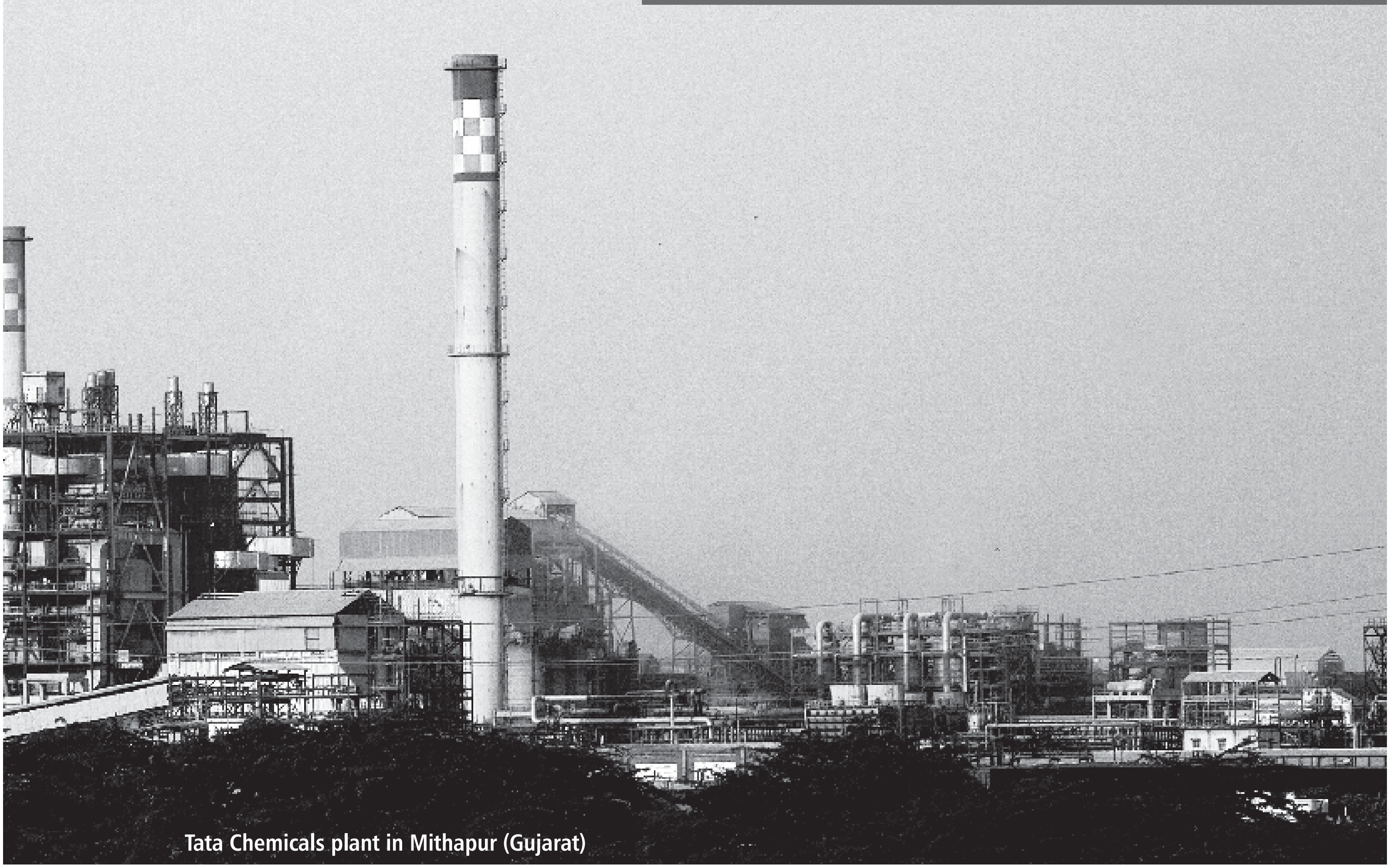
A metaphor from chemistry seems apt: Tata Chemicals has, over the last couple of years, been through several critical changes to transform itself from a simple, almost elemental entity into a complex molecule-type of organisation with new characteristics.

Six years ago, Tata Chemicals was India's largest producer of soda ash (sodium carbonate, a base ingredient for several industries); it also sold Tata Salt, India's biggest salt product and most trusted food brand and was a leading provider of fertilisers. Today, after a series of acquisitions and mergers, it has gone much further. The Company is now the world's second-largest producer of soda ash and third-largest producer of soda bicarb (sodium bicarbonate) and it has expanded its agri-business portfolio.

Yet, apart from the several obvious changes — it has grown several orders in size and from a company that used to be India-centric it now spans four continents and delivers products and solutions across the world — there's a more pervasive, almost holistic change in the vision and orientation of the Company.

To use a human metaphor, Tata Chemicals has developed an identity that is more well-rounded and

Courtesy : Originally published in Tata Review | March 2012; adapted for Annual Report 2011-12



Tata Chemicals plant in Mithapur (Gujarat)

mature. From a commodity company that dealt mainly in inorganic chemicals, it is shifting towards providing end solutions, is developing a strong business-to-consumer interface and is now seriously investing in R&D, innovation and cutting-edge technology.

A Bigger Portfolio

The evolution of the Company is most apparent in entirely new genres of products — 'green' products that combat climate change, patented hybrid seeds, biocides, customised fertilisers and a host of new consumer products that satisfy critical needs, such as the Tata Swach water purifier (which offers affordable water purification), iron-fortified salts to tackle iron deficiency, nutraceuticals to promote health and protein-rich, unpolished pulses.

But why on earth has the Company put itself through this colossal transformation? The answer lies partly in the word 'earth'. In an era in which technology advances and resource scarcities are rendering some enterprises obsolete, companies are increasingly looking at their strategies through the lens of sustainability.

Sustainability at the Core

Sustainability is one of the core elements of vision for the Company. The actions over the last few years have been driven by long-term considerations. Today, Tata Chemicals is built upon the platforms of resource availability at one end and, at the other end, providing greater value through speciality offerings, non-bulk chemicals and application products.

The quest for long-term viability manifested itself in a series of acquisitions and investments that have helped secure the Company's raw material requirements (See graphic: Spread far and wide on page 13). These upstream investments resulted in Tata Chemicals growing in several dimensions.

Of these, the acquisitions of the US-based General Chemical Industrial Products Inc. (Now Tata Chemicals North America Inc.) and the Kenyan company Magadi Soda Company Limited (Now Tata Chemicals Magadi Limited) were the most significant. They gave Tata Chemicals access to naturally occurring deposits of trona (a mineral from which soda ash can be produced economically). With more than 60 percent of its soda ash production based on natural sources, the Company could leverage its low cost of production to become far more competitive. The Company's global sprawl of soda ash plants (in India, Kenya, UK and US) has now been consolidated and rebranded to create a single customer-facing business (See related article: When one is better than many on page 14).

Of equal significance are the more recent investments in British Salt Limited and EPM Mining Ventures Inc (EPM). British Salt Limited is a leader in consumer and industrial salts in the UK. It is a source of brine, which is a key input for soda ash operations in UK and the acquisition has lowered the cost of production. With the acquisition of stake in EPM, the Company gets access to low-cost sulphate of potash, which is a key input for fertiliser business.

Then there were several lateral investments that increased the range of the Company's agri-businesses including acquiring a majority stake in Rallis India Limited to add pesticides to the crop-products portfolio.

The reasoning here is simple. Since soda ash (which has industrial applications and accounts for one-half of the Company's balance sheet) sells in a cyclical market, the Company has shored up its foundations by growing its Indian farm input business, a vertical that today touches 3 million Indian farmers and brings in about 40 percent of revenues. The idea was to make Tata Chemicals more recession-proof.

Future Evolution

The Company's investments over the past couple of years in innovation, new technologies and new products:

> **A one-third stake in JOil (S) Pte Limited of Singapore.**

> **A one-third stake in Natronx, US, a new joint venture that will make sodium-based products for flue-gas treatment and climate-change mitigation.**

> **The acquisition of Metahelix Life Sciences Limited in India (through Rallis) for its hybrid seeds and biotechnology prowess.**

> **Investments in captive R&D facilities in India, namely the Tata Chemicals Innovation Centre in Pune and the Centre for Agri-Solutions and Technology in Aligarh.**

> **An oligosaccharides plant of 300 tonnes per annum capacity (being constructed) in Chennai in India to manufacture nutraceuticals (probiotics and sweeteners that are food and pharmaceutical additives).**

The Touch of Technology

Tata Chemicals captures hydrogen gas in fuel cells at its Mithapur plant.

The Company is licensing technology from the Central Salts and Marine Chemicals Research Institute, India, to make sulphate of potash from bittern, a byproduct from the production of salt.

Vacant salt caverns belonging to British Salt Limited can be sold or leased as captive chambers to store natural gas.

The Company has collaborated with MIT for its Swach water filter technology and in generating solar energy

Tata Chemicals' iron-fortified salt has been produced in collaboration with the National Institute of Nutrition, India.

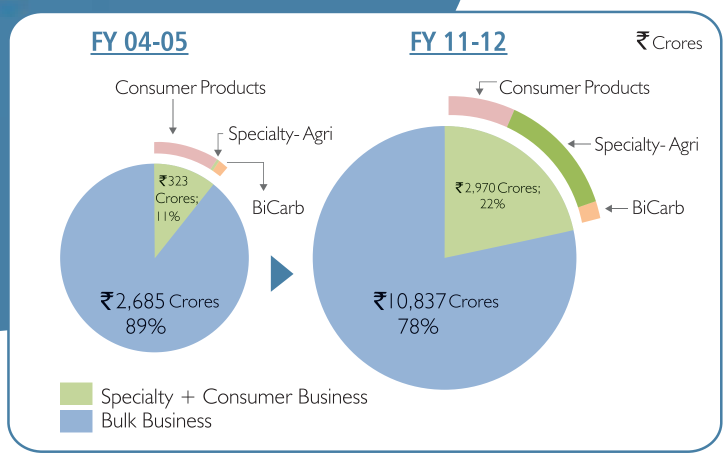
Tata Chemicals and Rallis are establishing schools to teach the new generation of Indian farmers modern agricultural methods and mechanised farming.

Tata Chemicals has joined hands with the Philippines-based International Rice Research Institute to promote new, flood-, drought- and salinity-tolerant rice varieties in India.

Tata Chemicals, a traditional industrial and agricultural chemicals company is building strong capabilities in biotechnology, crop sciences and nanotechnology. The new forays are a part of the Company's long-term vision. The Company is looking to leverage these technologies to find solutions to tomorrow's problems. The future is going to be in non-bulk products, in value-added and customised offerings, in speciality chemicals, and so on and that's where the Company wants to be.

The shift in orientation from bulk and B2B to consumer products and B2C is creating a new buzz within the Company. Tata Chemicals already touches 65 million Indian households with best-selling salt brand - Tata Salt and has plans to put several new brands on retail shelves. With multiple touch points in the food, water and health segments (See related article: It's all about consumer interest on page 10), the Company is focusing on upgrading its customer-facing capabilities and building up its consumer products division as a third vertical.

Innovation **and** Growth



‘The journey to Chemicals for LIFE’

Tata Chemicals has matured substantially over the last six years, adding heft through organic and inorganic growth, and developing competencies in several new product categories:

Turnover: ₹ 3,100 crores | **2005**
Facilities: Mithapur and Babrala (India)

Turnover: ₹ 13,800 crores (consolidated) | **2012**
Facilities: Mithapur (Gujarat), Babrala (U.P.) and Haldia (West Bengal); Wyoming (US); Lake Magadi (Kenya); Northwich & Middlewich (UK)

Living Essentials

In this effort to expand its consumer products portfolio, the Tata Chemicals Innovation Centre plays a vital role. The focus is on creating new businesses with potential: wellness products like nutraceuticals and nanomaterials that reduce the stress on resources and customised fertilisers that improve soil health.

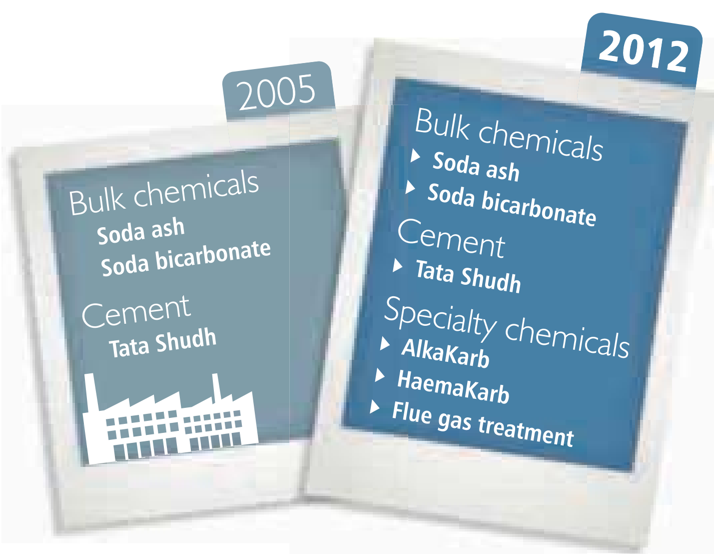
With the consumer products business acting as a new product hotspot, the agri-business vertical going global in search of raw materials, and the chemicals businesses getting consolidated and rebranded, the excitement within Tata Chemicals is palpable -not exactly what one would expect from a supposedly staid business.

Besides entering new segments, the Company is also growing organically. The salt works at Mithapur has increased capacity by 50 percent, British Salt Limited is increasing capacity, the Magadi operations has doubled its tonnage and the US plant has de-bottlenecked to increase its output.

All this activity in the middle of a recession? Tata Chemicals sees no reason to worry as India and Asia as a whole are growing at 7-8 percent, the US economy is showing a slight upturn, Africa is growing and Europe is holding steady. In fact, the Company can just about meet its current customer requirements. The ground reality is that demand has not shrunk, but companies are facing pressure on margins because of higher costs that cannot be passed on to the customer. The Company is responding by trying to become leaner and more efficient.

Internally, Tata Chemicals is busy consolidating its global operations to derive maximum bang for its buck. Efficient financial management has reduced the average cost of debt to around 7 percent. To bring all its group entities onto the same management page, Tata Chemicals has adopted Lean Six Sigma, SAP and Economic Profit Management along with other IT and HR programmes as common platforms across its branch organisations. Tata Chemicals has over 4,500 people across four continents and it is important that they speak the same language.

The Company has moved away from its 'chemical' identity to position itself as a provider of solutions. Its businesses have been restructured as LIFE: living (consumer), industrial and farm essentials. And the new facets of the Tata Chemicals persona are being expressed as its new vision - serving society through science.



Industry Essentials

Farm Essentials

It's all about Consumer Interest

The transformation at Tata Chemicals has also led to the creation of a much bigger portfolio of consumer products

The most visible change at Tata Chemicals can be seen in the consumer products division that has launched a slew of new products. Internally, too, the division is creating a buzz.

For decades, the consumer face of the Company was the iconic Tata Salt brand, which reaches 65 million households and has been named among the most trusted food brand in India.

A couple of years ago, Tata Chemicals launched Tata Swach, the innovative low-cost water purifier designed to provide safe drinking water to rural households without electricity. Last year, the Company pioneered branded pulses by packaging all-natural, unpolished pulses under the i-Shakti brand, thus adding to its portfolio of national consumer brands.

Now there is a thick pipeline of products from Tata Chemicals aimed at retail shelves. Through extensive R&D, the Company has extended the Tata Salt brand name to launch new salt products that sell on the health platform — Tata Salt Lite, a low-sodium salt aimed at hypertension patients, and Tata Salt Plus, an innovative iron-fortified salt.

In addition, the Tata Swach production capacity is going up to meet demand and i-Shakti pulses are being rolled out across 20 states. The Company wants to grow the consumer products business aggressively.

Good for you

Salt, water, pulses — what seem to be completely random choices of products actually have some elements in common. First is serving a national need: tackling iron deficiency in women and children through salt, making safe drinking water affordable for those at the

The new line of products from Tata Chemicals will also address India's health imperatives

bottom of the pyramid, increasing availability of protein-rich pulses.

The second element is Tata Chemicals' newfound capabilities in science and technology, with research at the Tata Chemicals Innovation Centre in Pune, India creating the pipeline for new businesses. The organisation, which worked on combining the health properties of iron and iodine together in a salt, is also engaged in enhancing the Tata Swach water filter to eliminate arsenic and fluorides and has recently created a new line of food additives such as probiotics and sweeteners.

Tata Chemicals is setting up a 300-tonne per annum plant in Chennai to make nutraceuticals — oligosaccharides (better known as probiotics) and polyols (artificial sweeteners that are more beneficial than the conventional aspartame) — which will be used by food and pharma companies.

There are new high-tech products in the agri-business space as well. Rallis India's acquisition of the Bengaluru-based biotech company Metahelix Life Sciences Limited has brought in capabilities in genetics along with a range of hybrid seeds.

Yet another new focus area is customised fertilisers — fertilisers that are tweaked to meet the exact requirements of a particular crop and soil combination, thus eliminating chemical overload in the soil and improving soil health.

This research is being conducted at the Centre for Agri-Solutions and Technology in Aligarh in India. Paras Farmoola, the Company's customised fertiliser brand, is manufactured at a small unit in Babrala in northern India to cater to the region's farmers. Plans are on to set up similar small plants at 20-30 sites throughout India, with each site blending the exact mix of nutrients that are optimal for local soil conditions.

Adding Value

Even the heritage chemical business is feeling the touch of science. The Company is putting out a range of value-added sodium bicarbonate-based application chemicals: additives for animal feed, haemodialysis, flue gas treatment, etc. The Company has, through its subsidiary, recently formed a tripartite equal joint venture viz. Natronx Technologies LLC (Natronx) in the US with Church & Dwight Company and FMC Corporation. This joint venture company will focus on environment-related products aimed at tackling the climate change challenge and will make and sell sodium-based, dry sorbents for air pollution control, considered to be a promising emerging market.

Tata Chemicals believes that the answer to many of the planet's problems, whether it is energy, water or climate change, will be found in chemistry and allocating its resources to encourage research in areas with potential.

Nanomaterials are one such area, with applications in the manufacture of battery cells and industrial catalysts. Co-crystallisation is another interesting area, where Tata Chemicals' R&D team hopes to improve adsorption of nutrients. Tata Chemicals is addressing areas such as resource stress, food security, health and water, all of which are challenges of the immediate future.

The old Tata Chemicals talked soda ash and fertiliser. The new Tata Chemicals is talking science. And the old and the new are working towards a new line of products to contribute at least a quarter of the Company's top line in the next five years.

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Spread far and wide

Inorganic growth has helped Tata Chemicals secure raw materials, reduce cost and strengthen its market penetration across continents

Year	Investment	Strategic Significance
2004	Merger of HIND LEVER CHEMICALS LIMITED with the Company	Fertiliser products expansion
2005	One-third stake in Indo Maroc Phosphore S.A. (IMACID), MOROCCO	Phosphoric acid
2006	Brunner Mond Group, UNITED KINGDOM (Tata Chemicals Europe Limited), Magadi Soda Company, KENYA (Tata Chemicals Magadi Limited)	Natural resources (trona deposits)
2008	General Chemical Industrial Products, UNITED STATES (Tata Chemicals North America Inc.)	Natural resources (trona deposits)
	Stake in JOil (S) Pte Limited, SINGAPORE	Low-cost biodiesel
2009	Majority stake in Rallis India Limited (Rallis), INDIA	Crop protection products
2011	Majority stake in Metahelix Life Sciences Limited (through Rallis), INDIA	Biotechnology, hybrid seeds
	British Salt Limited, UNITED KINGDOM	Consumer and industrial salt
	25.7% stake in EPM Mining Ventures Inc., UNITED STATES	Potash

When One is better than many

In an exercise with much to be gained from, Tata Chemicals' multiple entities have been brought together under a common brand and vision

Tata Chemicals' consumer products and agri-business divisions may be showing the greatest signs of invigoration, but the fact remains that a good half of the Company's revenues come from that old warhorse, soda ash, a vital input for several industries, among them detergents, glass, mining and construction.

Tata Chemicals' soda ash is produced at multiple sites across the world — the original plant in Mithapur, India, the Brunner Mond plant in the UK, the Magadi Soda Company (MSC) site in Kenya and the General Chemical Industrial Products (GCIP) facility in Wyoming in the US.

A year ago, Tata Chemicals decided to consolidate its many chemicals businesses into a single unit: the Global Chemicals Business. The acquisitions were rebranded to reflect both the unified name and the global spread. Brunner Mond became Tata Chemicals Europe, GCIP became Tata Chemicals North America Inc. and MSC became Tata Chemicals Magadi Limited.

What's in a name?

The business imperatives that necessitated the rebranding exercise: Brunner Mond, Magadi and GCIP are all great and well-known names, but the Company decided to go for one common brand for several reasons. For one, a few key global customers wanted the Company to create a single customer interface.

Plus, the power of a global brand gives the Company better leverage with financial and government authorities, and improved supply-chain efficiencies.

The businesses were realigned to present the Tata Chemicals brand across the world, with each region taking ownership of major customer accounts.

There was also an internal factor that contributed to the rebranding - employee sentiments. After the acquisition of Jaguar Land Rover and the launch of the Nano by Tata Motors, the Tata group has become well-known globally. People wanted to be associated with a brand like Tata, one that stands for ethics, values and stability. They wanted to be a part of something bigger, a group that understands business and is willing to invest.

The rebranding also stimulated Tata Chemicals to undertake a massive consolidation exercise. Instead of the four or five different IT platforms that were being used in different locales, the Company moved to SAP. Support functions like finance, safety audit and risk management have been centralised, while human resources, treasury and sales and marketing remain federal. The whole entity functions like an aircraft carrier-led fleet of ships.

Let's talk

One positive fallout of the consolidation has been a big jump in networking within Tata Chemicals. For instance, the Company now has intra-company safety audits, with a global audit team visiting each of its businesses.

The Company started identifying best practices and people also began to create networks. It broke the ice. Nowadays people are picking up phones and talking to colleagues across the globe. For instance, if Magadi is facing a technical issue, they will call the US site and ask questions. On the commercial and sales and marketing sides, they have quarterly meetings, and, talk about different issues and share experiences.

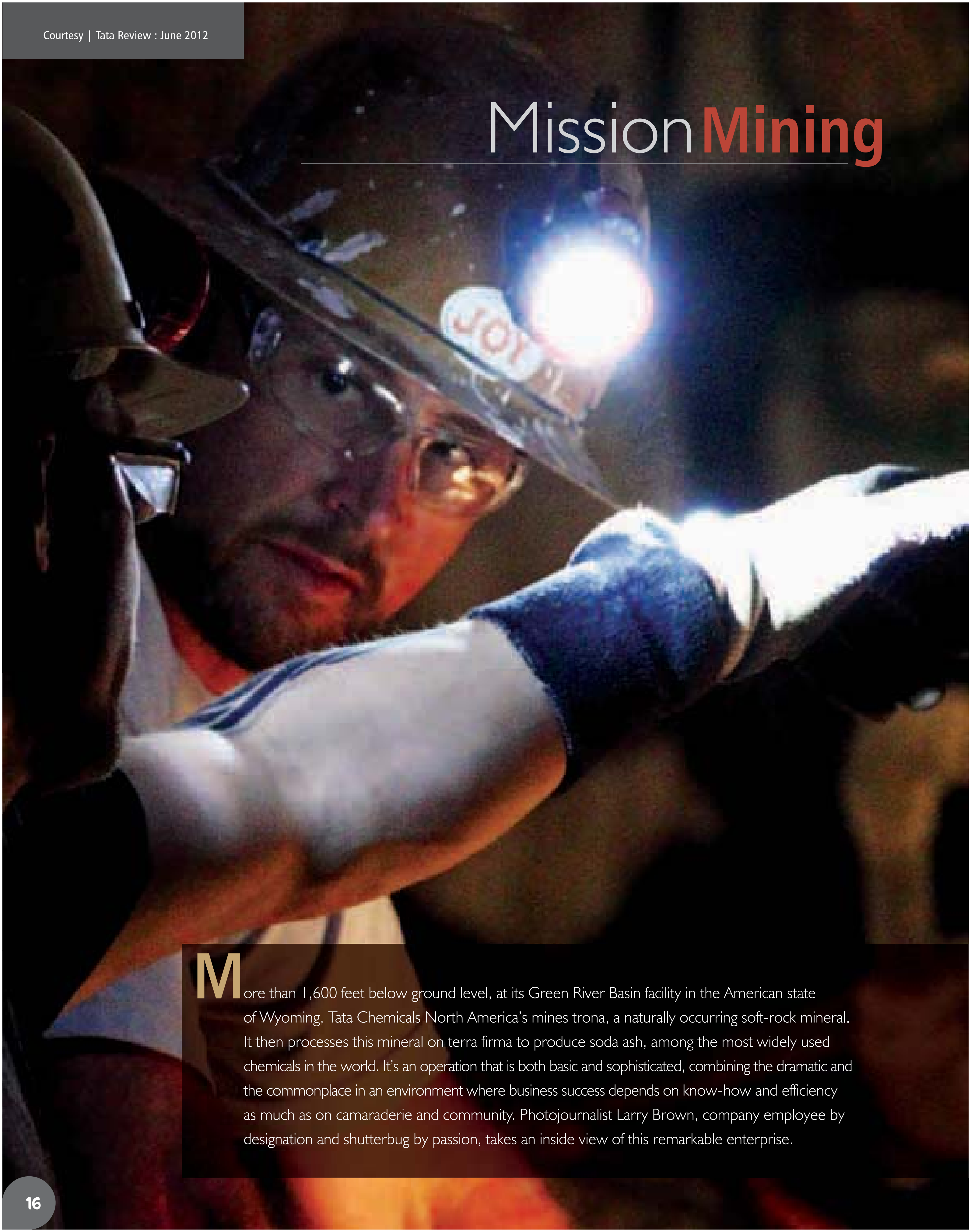
Another positive move has been the planned shift to a leaner, fitter organisation with higher speeds of response. With one eye on the balance sheet, Tata Chemicals is implementing programmes such as Lean Six Sigma and Economic Profit Management to improve returns on investment.

Since the rebranding, many of the overseas employees feel that they now see the business as global versus regional. They have first-hand opportunities to interact with their counterparts at other Tata affiliates. This has brought about an exchange of ideas and success stories that will continue to help unify the global entities as one.

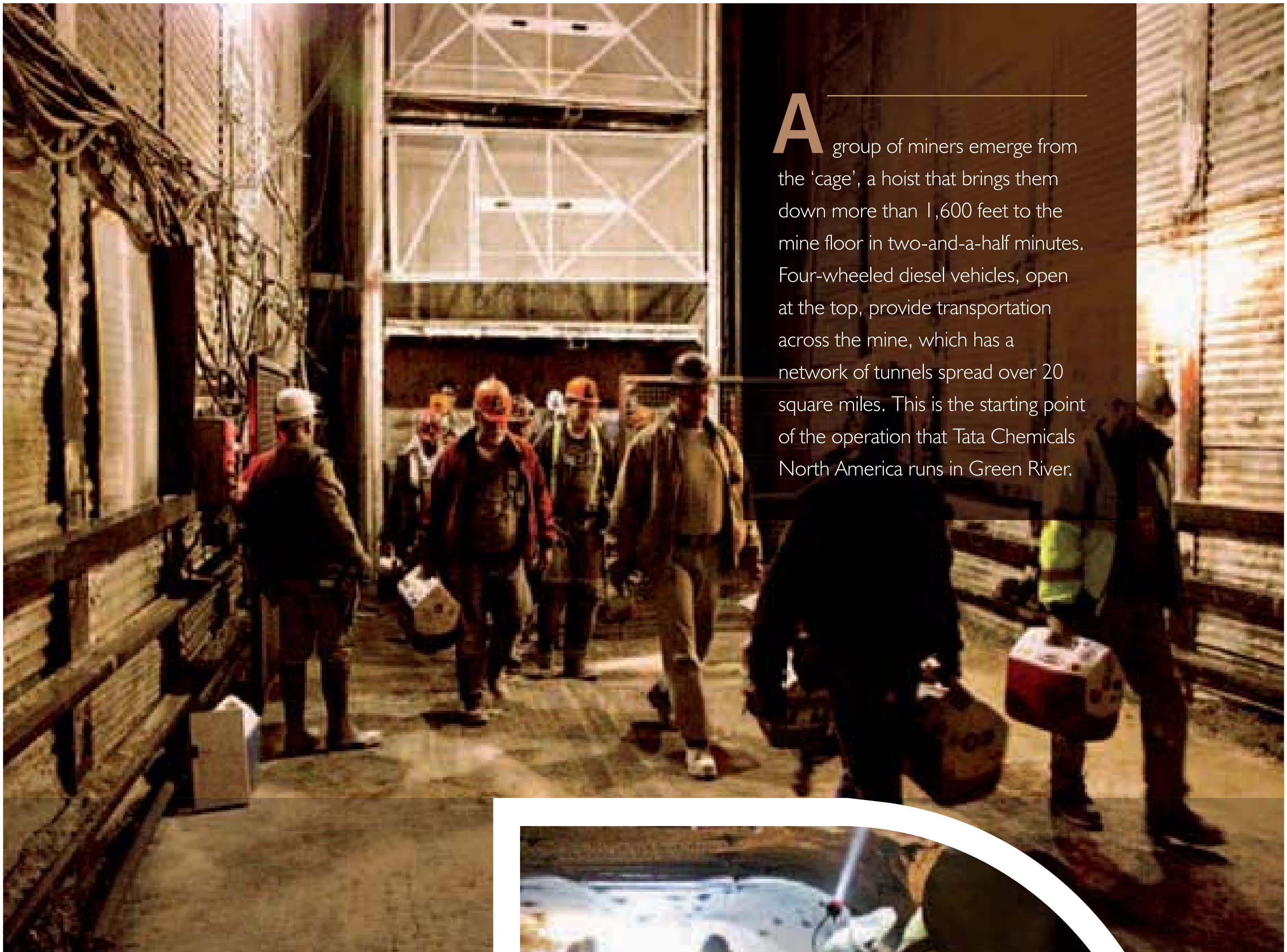
Rebranding, realignment, consolidation — these management terms don't fully capture what Tata Chemicals is actually doing: making sure that the vintage chemicals business is in a sustainably better shape to deal with the future.

The Green River (Wyoming) facility of Tata Chemicals

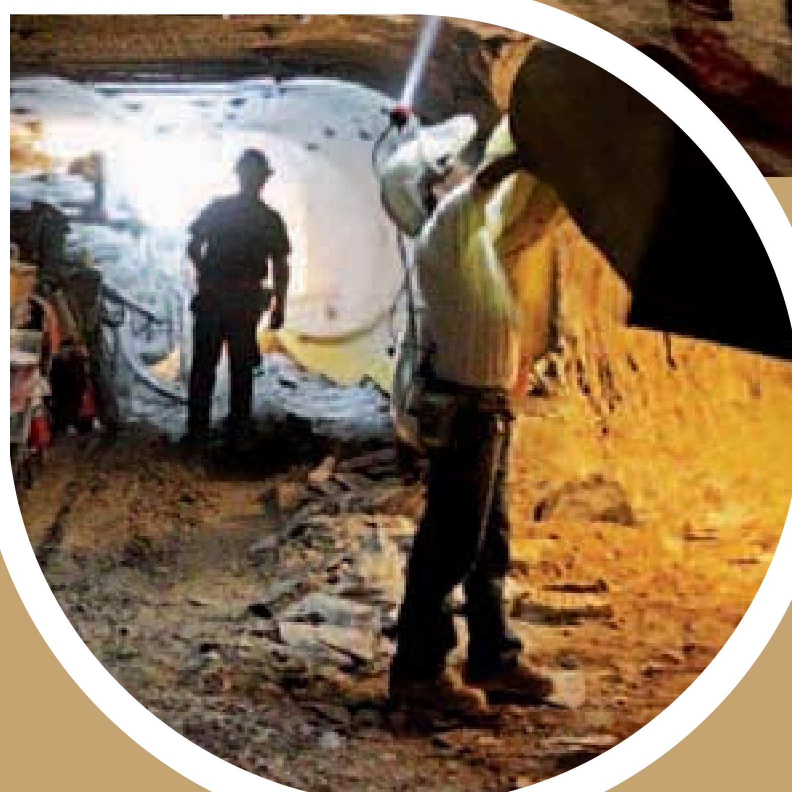
Mission Mining



More than 1,600 feet below ground level, at its Green River Basin facility in the American state of Wyoming, Tata Chemicals North America's mines trona, a naturally occurring soft-rock mineral. It then processes this mineral on terra firma to produce soda ash, among the most widely used chemicals in the world. It's an operation that is both basic and sophisticated, combining the dramatic and the commonplace in an environment where business success depends on know-how and efficiency as much as on camaraderie and community. Photojournalist Larry Brown, company employee by designation and shutterbug by passion, takes an inside view of this remarkable enterprise.



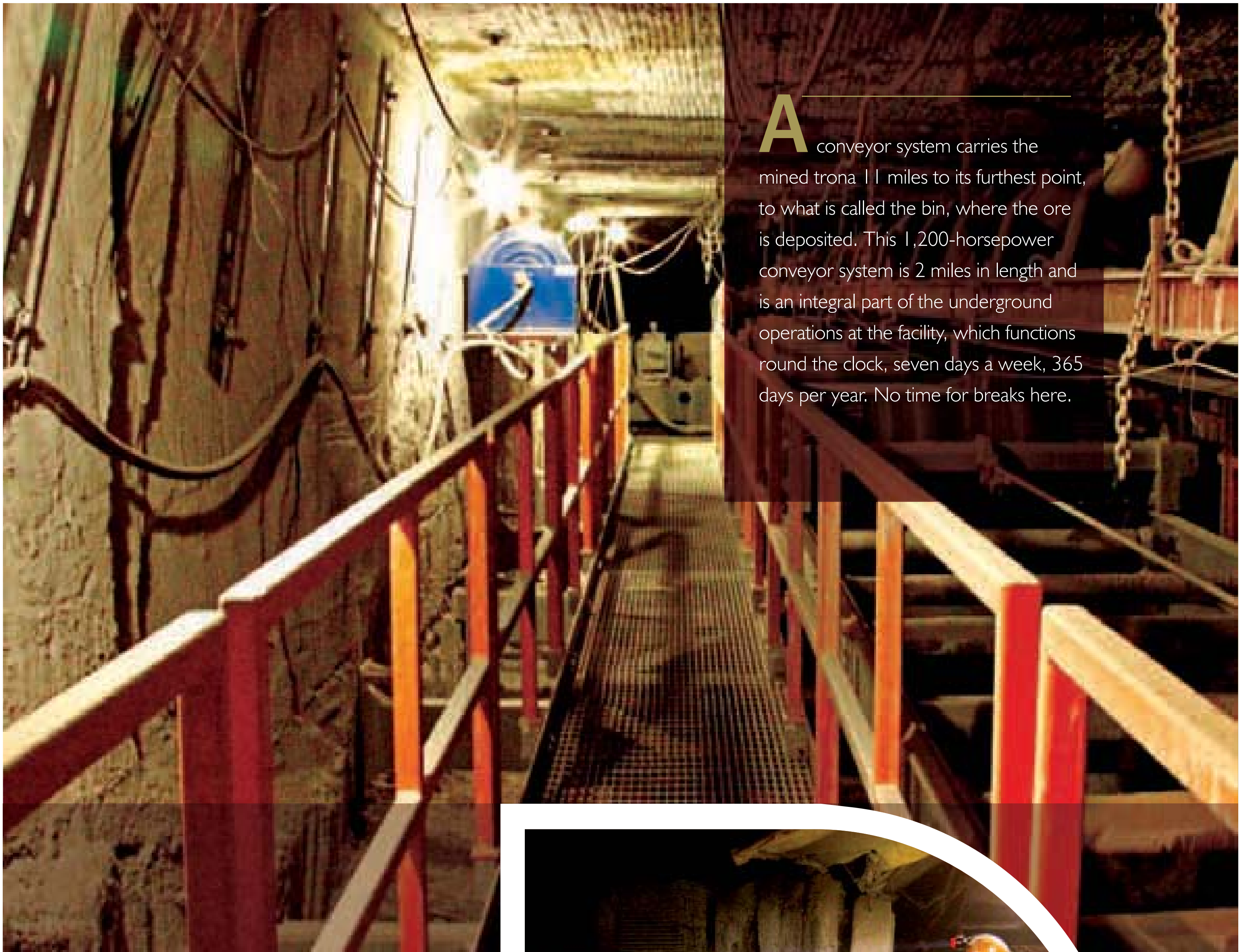
A group of miners emerge from the 'cage', a hoist that brings them down more than 1,600 feet to the mine floor in two-and-a-half minutes. Four-wheeled diesel vehicles, open at the top, provide transportation across the mine, which has a network of tunnels spread over 20 square miles. This is the starting point of the operation that Tata Chemicals North America runs in Green River.



A bore miner, a high-impact beast of a machine, drills into a 'production face' in one of the mine's tunnels. Here is where the journey of the soft-rock mineral out of the mine begins, from the face to a 'flexible conveyor train'. More than 4 million tonnes of trona are mined every year at this facility and then processed in a surface refining plant to produce about 2 million tonnes of soda ash.

A continuous miner, less productive but more flexible than a bore miner, fetches the trona and deposits it in a shuttle car, from where it is transferred to a conveyor belt. The Green River facility sits on the 'mile-high' prairies of southwestern Wyoming, home to the largest reserves of trona ore in the world — 60 billion tonnes spread over 1,000 square miles, at depths of up to 1,800 feet.

A worker drives bolts into the roof of an area that is being prepared for further mining and drilling. This is to support the roof and make the place safe from falling rock. Mining is an inherently dangerous operation; roof bolting — first used in the 1930s and now the primary support system in underground mining — has reduced roof-fall accidents to a great extent.



A conveyor system carries the mined trona 11 miles to its furthest point, to what is called the bin, where the ore is deposited. This 1,200-horsepower conveyor system is 2 miles in length and is an integral part of the underground operations at the facility, which functions round the clock, seven days a week, 365 days per year. No time for breaks here.

The mined trona is deposited in the bin, which is a deep pit that holds the mineral until it is moved out to the surface. The bin holds about 1,200 tonnes of the ore at any given time. Most of the hard work, up to this point and beyond, is mechanised. Which explains how Tata Chemicals North America is able to run such a heavy-duty operation with fewer than 500 people.

A worker oversees the mined trona being transported to the surface, and daylight, by a skip. All the mined ore goes to the surface through such skips, which receive the mineral from the bin — 22 tonnes of it every 90 seconds, 24 hours a day.

Here's where the surface operations get going. The trona ore that has been brought up from the mine by the skips is transported to the plant and crushed. The conversion of trona ore into soda ash happens through a multi-step purification process. The part seen above is where the ore is precision crushed to a specific size and screened to prepare it for processing.

Calciners — huge containers in which a substance is heated to a high temperature, but below its melting point — heat the precision-crushed trona to 165°C. This is done to get rid of unwanted gases and some other impurities from the ore; the heating process transforms it into crude sodium carbonate. Each calciner can process about 130 tonnes of trona in an hour.

The calcined ore is dissolved in hot water to remove insoluble particles such as shale, which are sedimentary rocks formed by the deposition of successive layers of clay (the water is needed to dissolve the crude sodium carbonate). For all the heavy lifting involved in the mining of trona, surface operations like these are what turn the impure ore into soda ash.

With shale and other contaminants removed from the liquid substance obtained in the purification process, the water used to dissolve the ore can now be removed. Evaporators, such as those seen here, boil the solution, leaving behind soda ash crystals. These crystals show up as a kind of slurry. Any remaining water is separated from the crystals in a centrifuge.

The monohydrate soda ash crystals, as they are now known, are dried in rotary steam tube dryers. What emerges is soda ash without any of the water used in the purification process. This part of the operation employs steam pressure of 400psi to heat the soda ash to 205°C, another component of a process that creates the purest — the whitest of white — soda ash.

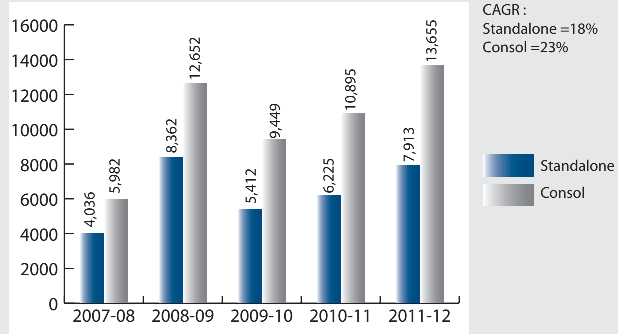
All of which explains why the folks on the surface say, with some justification and not always in jest, that turning trona into soda ash, rather than merely extracting it, is the really big deal at the Green River Basin facility. The reaction of mining colleagues — seen here during a break in the work down under — to such heresy is too colourful to print.

The finished soda ash product is screened and stockpiled before being loaded for shipment by truck and railcar (seen here). Nearly 100 tonnes of soda ash can be loaded in each rail shipment and 100 such shipments are sent rolling out five days a week. And there's plenty more where that comes from, given that the Green River facility has about 600 million tonnes of trona reserves, enough to provide for 100 years of production at current levels of output.

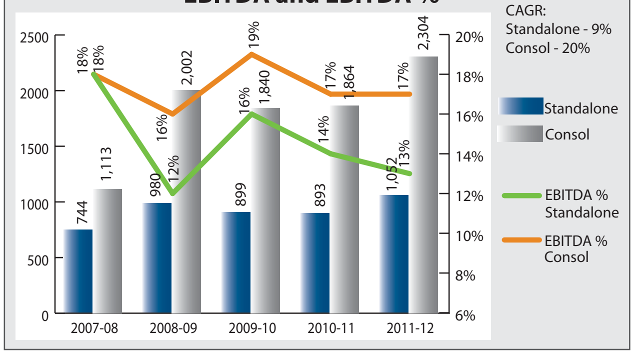
Note:
Pages 4 to 15, has been adapted from the article published in Tata Review – March 2012 issue.
Pages 16 to 22 on Mission Mining has been taken from the Tata Review – June 2012 issue.

(₹ in crores except per share data, EBITDA %, PAT %, Return on Invested Capital and Net Debt/EBITDA)

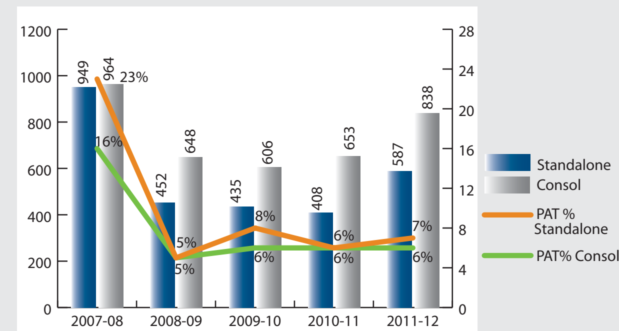
Turnover*



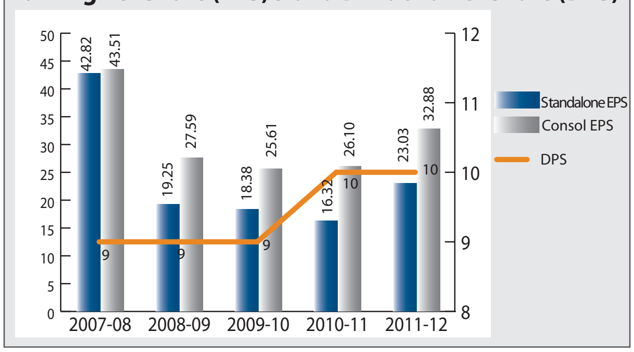
EBITDA and EBITDA %**



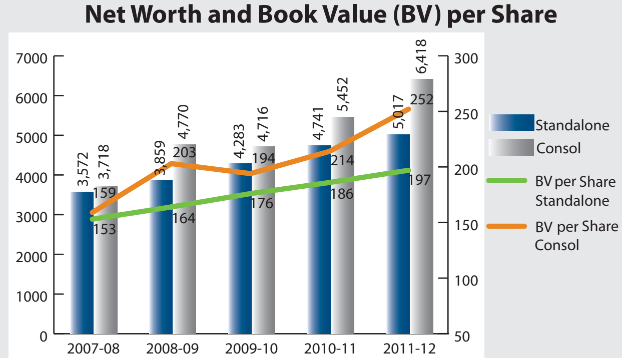
PAT and PAT %@



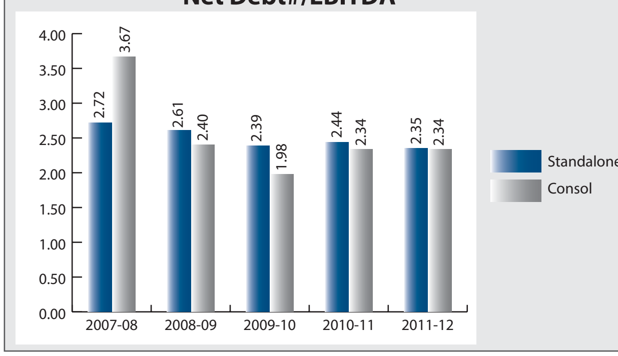
Earning Per Share (EPS)@ and Dividend Per Share (DPS)



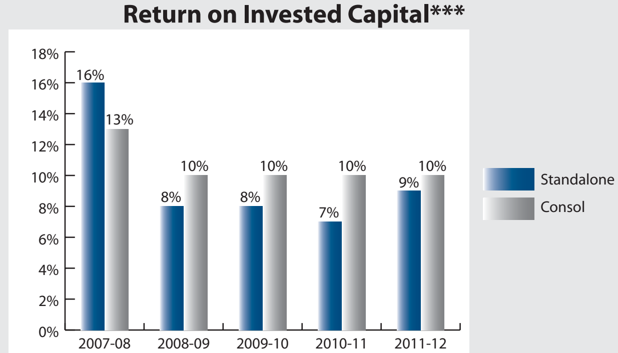
Net Worth and Book Value (BV) per Share



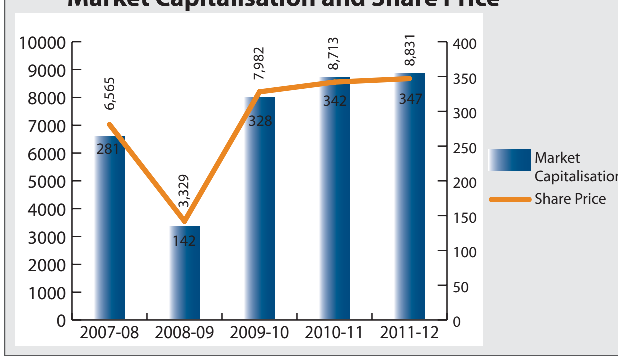
Net Debt#/EBITDA**



Return on Invested Capital***



Market Capitalisation and Share Price



*Turnover = Income from Sales Less Excise Duty

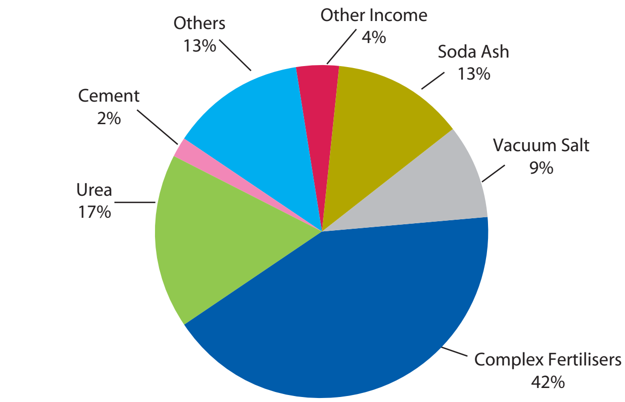
**EBIDTA excludes other income, foreign exchange losses on borrowings (net), voluntary retirement scheme cost, impairment losses, actuarial gains/losses for overseas pension liabilities and restructuring costs.

@2007-08 figures includes ₹ 487 crores profit on sale of investment.

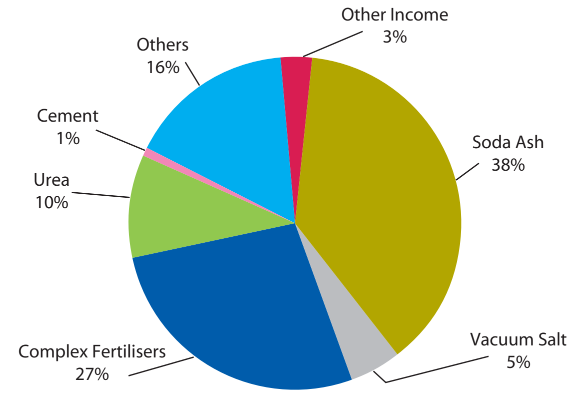
Net debt = Long-term borrowings + Short Term borrowings + Current maturities of Long Term Debts and Finance Lease Obligations - Cash and Cash Equivalents - Current Investments

***Return on Invested Capital= [(PAT + Minority Interest + Interest - tax on interest) / (Shareholders' Funds + Borrowings + Minority Interest)]

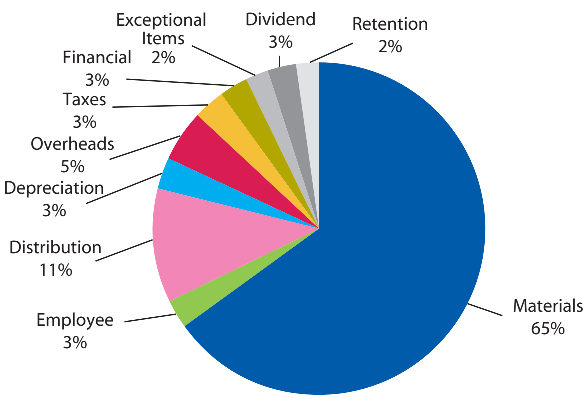
Revenue Breakup - Standalone



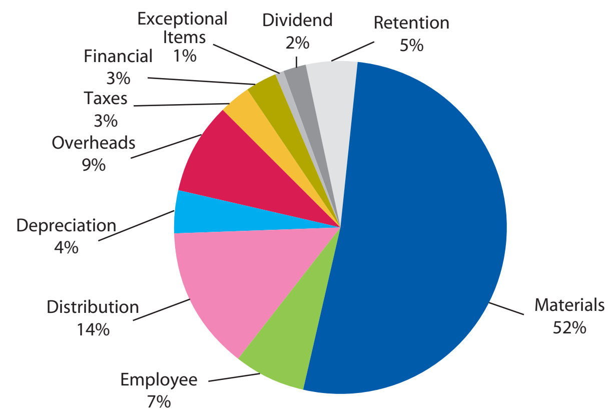
Revenue Breakup - Consolidated



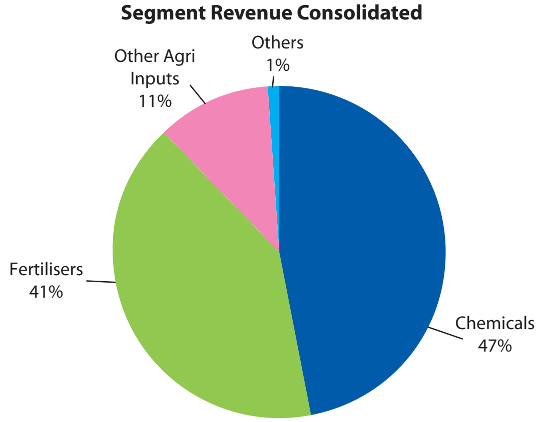
Distribution of Total Income - Standalone



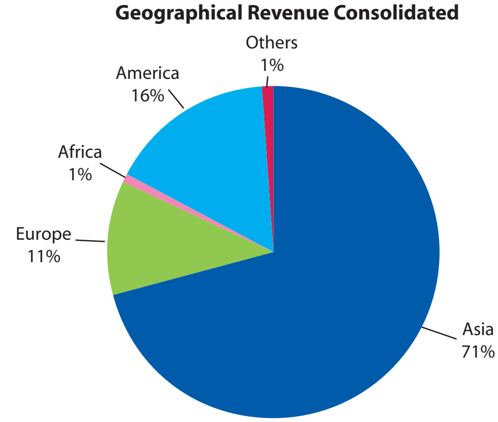
Distribution of Total Income - Consolidated



Segment Revenue Consolidated



Geographical Revenue Consolidated



NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY THIRD ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Wednesday, 22nd August, 2012 at 3.00 p.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following businesses: -

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2012 and the Balance Sheet as at that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. R. Gopalakrishnan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. E. A. Kshirsagar, who retires by rotation and is eligible for re-appointment.
6. To appoint auditors and fix their remuneration.
7. **APPOINTMENT OF MR. CYRUS P. MISTRY AS A DIRECTOR**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Cyrus P. Mistry, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2012 and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."
8. **APPOINTMENT OF DR. VIJAY KELKAR AS A DIRECTOR**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Dr. Vijay Kelkar, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2012 and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

   Notes:

   1. The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 7 and 8 above, are annexed hereto. The relevant details of the Directors seeking appointment/ re-appointment under Item Nos. 3 to 5, 7 and 8 above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
   2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
   3. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.
   4. **Book Closure and Dividend:**

      The Register of Members and the Share Transfer Books of the Company will be closed from 10th August, 2012 to 22nd August, 2012, both days inclusive.

5. The dividend, if declared at the Annual General Meeting, will be paid between 23rd August, 2012 and 27th August, 2012 to those persons or their mandates:

   (a) whose names appear as Beneficial Owners as at the end of the business hours on 9th August, 2012 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

   (b) whose names appear as Members in the Register of Members of the Company on 9th August, 2012 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before the aforesaid date.

6. **Nomination Facility:**

   Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar and Share Transfer Agents.

   Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participants.

7. **National Electronic Clearing Services (NECS) :**

   The Reserve Bank of India has initiated National Electronic Clearing Services (NECS) for credit of dividend directly to the bank account of Members.

   Members holding shares in dematerialised form are requested to provide their latest bank account details (Core Banking Solutions Enabled account number, 9 digit MICR and 11 digit IFS Code) to their Depository Participants.

   Members holding shares in physical form are requested to provide their latest bank account details (Core Banking Solutions Enabled account number, 9 digit MICR and 11 digit IFS Code) alongwith their Folio Number to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited.

8. **Members holding shares in physical form are requested to consider converting their holdings to dematerialise form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited, for assistance in this regard.**

9. **Unclaimed Dividends:**

   Transfer to General Revenue Account

   Pursuant to Section 205A(5) of the Companies Act, 1956, all unclaimed dividend upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Members, who have not yet encashed their dividend warrant(s) for the said period, are requested to forward their claims in Form No. II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to:

   Office of the Registrar of Companies
   Central Government Office Building
   'A' Wing, Second floor,
   Next to Reserve Bank of India,
   CBD, Belapur 400 614

   Transfer to the Investor Education and Protection Fund

   Consequent upon amendment to Section 205A of the Companies Act, 1956 ("the Act") and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

Accordingly, the dividend which had remained unpaid / unclaimed from the financial years ended 31st March, 1996 to 31st March, 2004 have been transferred to the Fund in respect of the Company and that of erstwhile Hind Lever Chemicals Limited (since merged with the Company effective 1st June, 2004), for the financial year ended 31st December, 2003 have been transferred to the Fund.

Members are requested to note that pursuant to Section 205(C) of the Act, no claim shall lie against the Company or the aforesaid Fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment. Any person / member who has not claimed dividend in respect of the financial year ended 31st March, 2005 or any year thereafter is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same. It may be noted that the unpaid/unclaimed dividend for the financial year ended 31st March, 2005 declared by the Company on 21st July, 2005 will be transferred to the Investor Education and Protection Fund.

10. **E-mail Address:**

    In order to communicate the important and relevant information and event to the members, including quarterly results in cost efficient manner, the members are encouraged to register their e-mail addresses with the Registrar & Share Transfer Agents (R&T) in case of shares held in physical form and with their respective Depository Participants (DP) in case of demat holdings.

11. A member desirous of getting any information on the accounts or operations of the Company is required to forward his / her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.

By Order of the Board of Directors

Rajiv Chandan

Mumbai, 30th May, 2012 **General Counsel & Company Secretary**

Registered Office:
Bombay House
24, Homi Mody Street, Fort,
Mumbai 400 001

Green Initiative

The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this Green Initiatives by registering / updating their e-mail addresses for receiving electronic communications.

Tata Chemicals Limited

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as "the Act"),the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 7 and 8 of the accompanying Notice dated 30th May, 2012.

Item No. 7:

Mr. Cyrus P. Mistry was appointed as an Additional Director by the Board of Directors of the Company with effect from 30th May, 2012. In accordance with the provisions of Section 260 of the Act, Mr. Cyrus P. Mistry will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Act from a member proposing his candidature for the office of Director of the Company.

Mr. Cyrus P. Mistry is a graduate of Civil Engineering from Imperial College, UK and has an M.Sc. in Management from London Business School. He has been associated with the Shapoorji Pallonji Group since 1994. Under Mr. Mistry's guidance, Shapoorji Pallonji's construction business has grown from a turnover of USD 20 million to approximately USD 1.5 billion, with presence in over 10 countries. He joined the Board of Tata Sons Limited in 2006 and is presently the Executive Deputy Chairman. He is also Director of Tata Industries Limited, The Tata Power Company Limited, Tata Teleservices Limited, Tata Consultancy Services Limited, Tata Steel Limited and Tata Motors Limited.

Your Directors are of the view that the Company would be immensely benefited by the wide experience of Mr. Cyrus P. Mistry and therefore, recommend for approval the Resolution contained in Item No. 7 of the Notice convening the Annual General Meeting.

None of the Directors except Mr. Cyrus P. Mistry is concerned or interested in Item No. 7 of the Notice.

Item No. 8:

Dr. Vijay Kelkar was appointed as an Additional Director by the Board of Directors of the Company with effect from 30th May, 2012. In accordance with the provisions of Section 260 of the Act, Dr. Vijay Kelkar will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Act from a member proposing his candidature for the office of Director of the Company.

Dr. Vijay Kelkar has done Ph.D. from the University of California at Berkeley. After a brief stint as a teacher in Nepal, Dr. Vijay Kelkar joined the Planning Commission in 1973. From the Planning Commission, Dr. Vijay Kelkar joined the Commerce Ministry in 1977 as an Economic Adviser, and has since then served in various capacities including Secretary to the Economic Advisory Council to the Prime Minister between 1985 and 1988. In 1994, Dr. Vijay Kelkar came back to the Government as Petroleum Secretary. Dr. Vijay Kelkar was made Finance Secretary in 1998. During 1999-2002, Dr. Vijay Kelkar was an Executive Director in the International Monetary Fund (IMF).

Dr. Vijay Kelkar is currently the Chairman of National Stock Exchange of India Limited, Mumbai and had been conferred the Padma Vibhushan by the President of India, the Highest Padma Award, in January 2011 for his distinguished and exceptional service to the Nation.

Presently, he is on the Boards of, inter-alia, Tata Consultancy Services Limited, Britannia Industries Limited, Go Airlines (India) Limited, National Stock Exchange of India Limited, JSW Steel Limited, JM Financial Limited, Lupin Limited, Green Infra Limited and Orbis Capital Limited.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and advice of Dr. Vijay Kelkar and therefore, recommend for approval the Resolution contained in Item No. 8 of the Notice convening the Annual General Meeting.

None of the Directors except Dr. Vijay Kelkar is concerned or interested in Item No. 8 of the Notice.

By Order of the Board of Directors

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 30th May, 2012

Registered Office:
Bombay House
24, Homi Mody Street, Fort,
Mumbai 400 001

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. R. Gopalakrishnan	Mr. Nusli N. Wadia	Mr. E.A. Kshirsagar
Date of Birth	25th December, 1945	15th February, 1944	10th September, 1941
Date of Appointment	30th October, 1998	26th June, 1981	26th November, 2008
Qualifications	B.Sc (Physics), B.Tech (IIT)	Educated in UK	Fellow Member of the Institute of Chartered Accountants in England and Wales.
Expertise in specific functional areas	Wide experience in Marketing and General Management.	Eminent industrialist with rich business experience.	Wide experience in the field of Corporate Strategy and structuring, Mergers and Acquisitions, valuations and feasibility.
Directorships in other Public Limited Companies*	• Tata Sons Limited • The Tata Power Company Limited • Rallis India Limited • Tata AutoComp Systems Limited • Tata Technologies Limited • Akzo Nobel India Limited • Castrol India Limited • Advinus Therapeutics Limited • Metahelix Life Sciences Limited • Dhaanya Seeds Limited	• The Bombay Dyeing & Manufacturing Company Limited • Gherzi Eastern Limited • The Bombay Burmah Trading Corporation Limited • Britannia Industries Limited • Tata Steel Limited • Tata Motors Limited • Go Airlines (India) Limited	• Batliboi Limited • JM Financial Limited • Rallis India Limited • HCL Infosystems Limited • Merck Limited • JM Financial Products Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders'/ Investors' Grievance Committee)	**Audit Committee** • Akzo Nobel India Limited • Castrol India Limited	-	**Audit Committee** • Batliboi Limited • JM Financial Limited • HCL Infosystems Limited • Rallis India Limited • Merck Limited • JM Financial Products Limited **Shareholders'/Investors' Grievance Committee** • HCL Infosystems Lmited • Rallis India Limited
No. of shares held in the Company	15000	NIL	NIL

Contd.

Tata Chemicals Limited

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. Cyrus P. Mistry	Dr. Vijay Kelkar
Date of Birth	4th July, 1968	15th May, 1942
Date of Appointment	30th May, 2012	30th May, 2012
Qualifications	B.E. (Civil) - Imperial College, UK, M.Sc. (Management - London Business School	Ph.D from University of California
Expertise in specific functional areas	Wide business experience in variety of industries.	Eminent economist with rich business experience.
Directorships in other Public Limited Companies*	• Tata Sons Limited • Tata Industries Limited • The Tata Power Company Limited • Tata Consultancy Services Limited • Tata Teleservices Limited • Tata Steel Limited • Tata Motors Limited	• Tata Consultancy Services Limited • Britannia Industries Limited • Go Airlines (India) Limited • National Stock Exchange of India Limited • JSW Steel Limited • JM Financial Limited • Lupin Limited • Green Infra Limited • Orbis Capital Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders'/ Investors' Grievance Committee)	**Audit Committee** • Tata Sons Limited	**Audit Committee** • Tata Consultancy Services Limited • JM Financial Limited **Shareholders'/ Investors' Grievance Committee** • JM Financial Limited
No. of shares held in the Company	NIL	NIL

** Note: Excludes Directorships in Private Limited Companies, Foreign Companies, Section 25 companies and Government Bodies*

DIRECTORS' REPORT

TO THE MEMBERS
OF TATA CHEMICALS LIMITED

The Directors hereby present their seventy third Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012:

FINANCIAL RESULTS

₹ in crores

Particulars	Standalone		Consolidated	
	2011-12	2010-11	**2011-12**	2010-11
Total Income	**8267.61**	6440.89	**13973.87**	11156.34
Profit before Depreciation and Exceptional items	**1122.13**	800.02	**2044.47**	1608.87
Less : Depreciation	**224.68**	204.46	**508.68**	451.05
Less : Exceptional items	**133.10**	36.86	**152.36**	36.86
Profit before tax	**764.35**	558.70	**1383.43**	1120.96
Tax	**177.75**	150.21	**343.92**	274.92
Profit after tax	**586.60**	408.49	**1039.51**	846.04
Minority Interest	**-**	-	**199.46**	192.57
Share of Loss in Associates	**-**	-	**2.46**	-
Profit Attributable to shareholders	**586.60**	408.49	**837.59**	653.47
Add:				
Balance in Statement of Profit and Loss	**1943.42**	1869.33	**2666.37**	2374.96
Other Adjustments	**0.40**	-	**(19.76)**	-
Amount available for Appropriation	**2530.42**	2277.82	**3484.20**	3028.43
Appropriations -				
(a) Proposed Dividend	**254.76**	254.76	**254.76**	254.76
(b) Tax on Dividend	**38.01**	38.79	**64.50**	41.33
(c) General Reserve	**58.66**	40.85	**68.80**	53.47
(d) Debenture Redemption Reserve	**-**	-	**12.50**	12.50
(e) Transfer to Other Reserves	**-**	-	**5.31**	-
(f) Balance Carried forward	**2178.99**	1943.42	**3078.33**	2666.37
	2530.42	2277.82	**3484.20**	3028.43

DIVIDEND

For the year under review, the Directors have recommended a dividend of ₹ 10 per share (₹ 10.00 per share for the previous year) on the Equity Shares of the Company aggregating to ₹ 292.77 crores [including Dividend Tax (net)].

PERFORMANCE REVIEW

The net revenue from the operations of the Company increased from ₹ 6,333 crores to ₹ 7,987 crores, registering a growth of 26% over the previous year. Profit before tax was ₹ 764 crores whereas the Profit after tax was at ₹ 587 crores, an increase of 37% and 44% respectively, over the previous year.

The consolidated net revenue from the operations increased from ₹ 11,061 crores to ₹ 13,806 crores, an increase of 25% over the previous year. On consolidated basis the Profit before tax was ₹ 1,383 crores whereas the Profit after tax before Minority Interest and share of Loss in Associates was at ₹ 1,040 crores, an increase of 23% and 23%

Tata Chemicals Limited

respectively, over the previous year. Profit attributable to the Group after deducting the minority interest and share of loss in Associate was at ₹ 838 crores, an increase of 28% over the previous year.

Tata Chemicals Limited's (TCL or the Company) operation is organised under four segments i.e. (1) Inorganic Chemicals comprising Soda Ash, Salt, Sodium Bicarbonate, Marine Chemicals, Caustic Soda and Cement, (2) Fertilisers segment comprising Fertilisers and other traded products, (3) Other Agri-inputs including Rallis India Limited's operations and (4) Others - comprising Water Purifier, Bio-fuels and Pulses. Performance review of these businesses is as under:

1. INORGANIC CHEMICALS SEGMENT

1.1 INDIA OPERATIONS:

During the year, the Company's Industrial Chemicals operation in India achieved sales of ₹1,483 crores compared to sales of ₹1,202 crores in the previous year. The year witnessed an increase in the Gross Sales Realisation (GSR) of soda ash as compared to the previous year, thereby absorbing some of the substantial cost pressures facing the business and reflecting the market supply-demand balance. Increased usage of some low-grade soda ash substitutes, use of cullets and slow down in dyes and other chemical sectors, coupled with de-stocking of the product pipeline by customers resulted in flat domestic demand for soda ash. While the domestic manufacturers maintained their position in the market, a slowdown was seen in imports from most major exporting sources. High energy costs and costs of other key inputs led to an increase in prices across the globe. A volatile exchange rate added to the adverse impact specifically in the Indian market.

The sodium bicarbonate market demand also remained flat this year on the back of a 15% growth in Financial Year (FY) 2010-11. While domestic players managed to strengthen their position, imports lost some ground in the market. The Company was able to consolidate the sale of Alkakarb® a variant and established Sodakarb®, a branded food-grade sodium bicarbonate.

The Company also commenced trading operations in the Inorganic Chemicals space to increase its product offering to customers and leverage its customer connect and distribution network.

Soda Ash

The Indian soda ash demand remained flat due to delays in commissioning of some float glass lines and increased consumption of low-grade substitutes. However, the Company's strong relationship with customers and relentless focus on increasing already high service levels has enabled the Company to maintain its market share in spite of sluggish demand. The Company was able to increase its market share on the back of higher domestic soda ash sales volumes. Prices remained firm during the year and helped mitigate the input cost pressures. Key packaging automation projects were completed in the plant at Mithapur. The Company also upgraded the salt works during the year to cater to the increasing brine and raw salt requirements for the site.

The Company's production of soda ash at Mithapur in FY 2011-12 was 690,181 Metric Tonnes (MT) as against the previous year's figure of 696,746 MT on account of some constraints in the availability of raw materials and power. However, the Company achieved its highest ever sales in the Indian domestic market of 673,867 MT of soda ash during the year, as against 668,774 MT during the previous year.

After a slowdown during the current year, there are signs that the market demand will be boosted by commissioning of one float and another container glass line. Most of the float glass and container glass units, including two container glass lines commissioned in the previous year, are expected to operate at full capacity. Strengthening end-consumer demand for detergents, silicate and glassware industries will also translate into strong soda ash demand.

Sodium Bicarbonate

During the year, the Company achieved the highest ever sodium bicarbonate production of 80,285 MT which was 3% higher than in the previous year. Sales at 81,381 MT were 7% higher than the previous year, helping the Company achieve a market share of more than 50% in the domestic market. In FY 2011-12, the Company consolidated Alkakarb® and established Sodakarb® brands in the Indian bicarbonate market with consistent sales and encouraging demand pipeline. This is in line with the Company's plan to offer value added branded variants as the domestic market matures and grows over a period of time and is consistent with its global portfolio for this product.

During the year under review, the market remained flat against a growth of 15% in the previous year. This slow down in sodium bicarbonate demand is attributed to reduction in leather exports and slump in the dyeing industry. While any major recovery in the dyes and leather segment is not expected, the full-swing commencement of commercial operations of a new application and a growing foods segment would help sustain double digit growth rates through the coming years.

Cement

The Company's cement plant was set up in 1993 to handle solid wastes generated as by-products of soda ash manufacture. The Company uses technology to separate solid effluents and process them into Ordinary Portland Cement (OPC) and Masonry Cement. It enables the Company to convert its fly ash (generated in the power plant) into an useful construction material. While the upward trend in raw material and energy prices is likely to impact margins, the business will continue to focus on catering to the nearby markets for maximising realisations. During the year, the Company's production of OPC cement was 435,809 MT and sales was 427,990 MT. It also achieved the highest-ever production and sale of Masonry Cement at 82,594 MT and 82,338 MT, respectively.

Consumer Products - Salt and Related Products

During the year, the Consumer Products demonstrated strong performance by leveraging its distribution system and brand equity.

Iodised salt production in Mithapur was 621,933 MT, up 12% from 553,386 MT in the previous year. Overall, branded salt sales grew by 9% from 799,668 MT in FY 2010-11 to 868,525 MT in FY 2011-12. Sale of Tata Salt grew by 12% in volume from 583,839 MT in FY 2010-11 to 654,468 MT in FY 2011-12. Sale of I-Shakti grew from 201,888 MT in FY 2010-11 to 202,305 MT in FY 2011-12. Amongst the major brands, I-Shakti continues to maintain the most distributed brand after Tata Salt with a reach of 5.94 lac retail outlets. The Company's market share of its salt portfolio has increased to 64.3% in the National Branded Salt segment, up from 61.8% in FY 2010-11.

I-Shakti cooking soda sales showed an encouraging growth of 28% with sales of 1,284 MT during the year as compared to 1,003 MT in the previous year.

during the year, sales turnover of the consumer business grew by 24% to ₹ 958 crores from ₹ 772 crores in the previous year.

The Consumer Products continue to work towards new product development through salt variants, bi-carbonate based products and development of other categories.

1.2 OVERSEAS OPERATIONS

1.2.1 Tata Chemicals North America Inc.,

During the year, Tata Chemicals North America Inc., (TCNA) achieved gross sales of USD 481 million (₹ 2,306 crores) and EBITDA of USD 123 million (₹ 589 crores). These were higher by 20.55% and 4% respectively over the previous year figures.

Soda Ash volumes during the year were 2,376,161 MT as against the previous year volume of 2,383,568 MT. Export sales volumes were up 6% as against the previous year, with sales to Latin America and Asia the primary drivers. Sales volumes to North American customers were 0.8% higher as against the previous year with increase in flat glass, offsetting declining volume demand in container glass, detergent and chemical end use markets. Price increases throughout the year were driven by high capacity utilisation rates in the US soda ash industry and raw materials cost increases at global synthetic soda ash producers.

1.2.2 Tata Chemicals Europe

Tata Chemicals Europe achieved sales turnover of GBP 190 million (₹ 1,452 crores), registering an increase of 13.77% over the previous year. EBITDA was up to GBP 39 million (₹ 287 crores). Low soda ash production volumes and some weak carbon quality were offset by good numbers from the salt business.

Soda Ash

Soda ash production was 804,627 MT, up by 3% as compared to the previous year with much improved production at Lostock but continued weak volumes from the Winnington factory due to a number of technical problems and enforced instability in plant management.

Tata Chemicals Limited

Sodium Bicarbonate

Sodium bicarbonate production was 101,785 MT, an increase of 2% over the previous year and the first time 100,000 MT mark has been exceeded at the Northwich factories.

Salt

Salt production of 466,546 MT and sales of 426,899 MT generated an EBITDA contribution of GBP 17.3 million (₹ 312.21 crores) while borehole debrining earned an EBITDA of GBP 1.9 million (₹ 14.52 crores) as part of the contract with Ēlectricitē de France in respect of gas storage.

1.2.3 Tata Chemicals Magadi Limited

During the year, the Turnover was at USD 116.81 million (₹ 560 crores) as against USD 97 million (₹ 442 crores) of the previous year, registering an increase of 20.42%. Sales volumes for both the Standard Ash (SAM) and Premium Ash (PAM) were at par with the previous year. Sales price at all regions were higher reflecting stronger capacity utilisation for global soda ash traders and raw material cost increases for synthetic soda ash producers.

The combined sales volumes for both PAM and SAM were 484,612 MT as compared to 482,731 MT for the previous year, an increase of 0.4%. EBITDA increased by 129% to USD 20.65 million (₹ 99 crores) from USD 9 million (₹ 41 crores) in the previous year. This is attributable to higher soda ash prices, improved energy and power efficiencies and controlled fixed costs.

Going forward, the company will continue its focus on plant optimisation through initiatives such as Lean Six Sigma and stringent cost control measures as well as cash conservation.

2. FERTILISER SEGMENT

The Company has been recording consistent growth in Agri sector over the past few years. Attempts have been made by the Government of India to develop market oriented policies and curb the subsidy outgo. The Company is a prominent manufacturer of Urea and Phosphatic Fertilisers in India.

2.1 CROP NUTRITION BUSINESS

The Crop Nutrition business comprises Nitrogenous Fertilisers i.e. Urea manufactured at Babrala Plant and Phosphatic Fertilisers like Di-ammonium Phosphate (DAP), Nitrogen, Potash and Phosphorous (NPK), Single Super Phosphate (SSP) manufactured at the Haldia plant. During this year, the Company commissioned India's first Customised Fertiliser manufacturing facility at Babrala. In addition to these, the Company imports and sells Muriate of Potash (MOP), DAP and supplies other crop nutrition products like Specialty Fertilisers and organic materials. During the year, the Crop Nutrition and Agribusiness operations of the Company achieved a turnover of ₹ 5,641 crores as against the previous year's ₹ 3,491 crores.

Urea

During the year, the Babrala plant achieved an annual Urea production of 1,165,557 MT, higher by 48,404 MT as compared to the previous year. The specific energy consumption during the year was 5.315 GCal/MT as against 5.26 GCal/MT in the previous year due to disruptions in production arising out of damage to the ammonia converter.

DAP / NPK / SSP

During the year, the Haldia plant achieved a combined production of 708,230 MT of DAP, NPK and SSP as against the previous year's production of 710,379 MT. The sales of DAP, NPK and SSP were 711,458 MT during the year as against 705,384 MT in the previous year.

Imported Products (DAP / MOP)

During the year, due to the anticipated shortage of DAP in the country, a huge quantity of complex fertilisers were imported into the country. While the Company did not import other complex fertilisers, it sold imported DAP and Potassic fertilisers of 284,773 MT and 160,425 MT as against the previous year volume of 277,018 MT and 217,215 MT, respectively. The MOP imports into the country started only in the second half of the year due to delays in price finalisation in India. This affected the sales volume of this product. The significant increase in maximum retail price to the farmer also affected the consumption of Potassic fertilisers.

Specialty Crop Nutrients and Micro-Nutrients

The Company continued to grow in this area by expanding into western and southern parts of India and introducing three new products.

Customised Fertilisers

The first set of products under the Paras Farmoola range targeted the key crops of Paddy, Wheat, Potato and Sugarcane in western Uttar Pradesh. The Company sold a total quantity of 54,173 MT during the year, while the capacity stands at 132,000 MT p.a. This being a new concept in India, the Company would like to promote this product in a phased manner.

2.2 NETWORK OF DEALERS AND FRANCHISEES

The traditional Sales Channel has now been extended throughout India. In addition, the Company also operates retail outlets under the brand of Tata Kisan Sansar (TKS) in the Northern and Eastern parts of India. These franchisee outlets act as one-stop shops offering quality agricultural inputs and Agri Solutions such as advice on crops, application services and farming practices.

The dealer and franchisee network deal with all products such as Primary Nutrients (Urea, DAP, MOP, NPK, etc.), Specialty Fertilisers (Zinc sulphate, boron, micronutrients, calcium nitrate, organics, water soluble fertilisers etc.), Seeds (Field crops, vegetable crops) and the entire range of Pesticides.

Along with the above mentioned inputs, the Company is providing products of other reputed companies through this retail network which help farmers to get all nutrients and inputs under one roof.

3. OTHER AGRI INPUTS

Rallis India Limited (Rallis)

Rallis posted consolidated revenues of ₹ 1,274.87 crores during the year, registering a growth of 17% over the previous year figure of ₹ 1,086.26 crores. Profit before tax on a consolidated basis was ₹ 149.39 crores, which was 19% lower than the profit before tax of ₹ 184.48 crores during the previous year. Exceptional items such as cessation costs of ₹17.19 crores and losses relating to foreign exchange of ₹ 9.67 crores impacted the profits. However, the EBIDTA percentage on a consolidated basis as compared to the previous year has gone up by 11%.

The Domestic Formulation business registered a growth of 2% over the previous year, driven by a sustained performance of the key brands. The International Business Division registered an increase of 48% in sales as compared to the sales during FY 2010-11 and it comprised 33% of the total revenues of the company during the year.

Subsequent to the year under review, Rallis has entered into definitive agreements for the acquisition of a majority equity stake in Zero Waste Agro Organics Private Limited, a Maharashtra based organic manure and soil conditioners manufacturing company. With this acquisition, the product portfolio of Rallis will be strengthened with organic manure and soil conditioner products to improve deteriorating soil health and drive agriculture productivity.

4. OTHERS

4.1 Water Purifier

Tata Swach Water Purifier is available for sale throughout India except in the North-East and in Jammu & Kashmir and has been accepted well in the market. Tata Swach has been voted the 'Product of the Year – 2012' in the water purifier category by over 30,000 consumers during a survey conducted by Nielsen in over 36 cities.

4.2 Pulses

After promising results from the pilot project, the Company took Tata I-Shakti unpolished pulses nationally leveraging on its extensive distribution network. The product is now available in 19 States. In the coming year, the Company intends to focus on brand building activities and consumer awareness campaigns for promoting Tata I-Shakti unpolished pulses.

4.3 Biofuels

As a part of its Biofuels Research and Development Programme using non conventional raw materials, the Company had set-up a bio-ethanol test plant of 30 KLPD at Nanded, Maharashtra. After two years of operational experience, the plant has been closed during the year. Due to uncertain economic environment in Europe, the Company is taking a cautious approach in its bio-ethanol project based on sugarcane at Mozambique for which the Government of Mozambique has given concessions for 15,934 hectares of productive land on the banks of the river Zambezi in Mozambique.

4.4 Nutraceuticals

Innovation Centre (IC) of the Company has developed a unique process for manufacturing Prebiotics such as Fructo, Galacto and Iso-Malto Oligosaccharides (FOS, GOS and IMO). The unique feature of the process lies in it being environmentally benign (green), producing cost competitive and high purity product. In the last few years, the Prebiotics' acceptability has grown worldwide due to its effectiveness in improving the digestive system, increasing uptake of vital nutrition from foods and thereby combating lifestyle diseases. This, coupled with the fact that a validated process for the Prebiotics is in place, presents an opportunity to build a business around this. Pilot plant trials where undertaken at a third party facility to ascertain customer acceptance of the products and to overcome operational issues typically associated with a scale-up process.

The Company proposes to set up a manufacturing facility in Chennai for nutraceuticals at a cost of ₹ 12 crores. Land has been acquired for this purpose and construction work will start once all the statutory approvals are in place.

5. JOINT VENTURES

5.1 Indo Maroc Phosphore S.A. (IMACID)

IMACID is a joint-venture company established in Morocco and is engaged in the manufacture of phosphoric acid. In IMACID, the Company has a 33.33% shareholding, together with two other equal partners, Chambal Fertilisers and Chemicals Limited and Office Cherifien Des Phosphates (OCP), Morocco, the world's largest producer of Rock Phosphate and other phosphatic fertiliser products. The Company secures phosphoric acid through supply from IMACID for manufacture of granulated DAP and NPK fertilisers at its Haldia facility.

During the year, the cumulative production of phosphoric acid in this period was 329,173 MT as against 362,842 MT of the previous year. The lower production was on account of a shutdown of the plant during the fourth quarter of FY 2011-12 due to adverse market conditions for its product. On a calendar year basis, the year 2011 saw the highest ever production of 429,622 MT as against a design capacity of 430,000 MT. Strong financial performance and cash reserves facilitated payout of 512 Million Moroccan Dirhams (₹ 299.63 crores) as a special Dividend to its shareholders during the year.

5.2 Khet-Se Agriproduce India Private Limited

Khet-Se Agriproduce India Private Limited (Khet-Se) is a joint venture (JV) between TCL and Total Produce, Ireland, one of Europe's largest fresh produce providers.

During the year, Khet-Se achieved a total distribution of 1,118 MT as against 5,660 MT of fresh produce valued at ₹ 2.49 crores as against ₹ 9.46 crores in the previous year. However, due to strategic reasons Khet-Se operations have been suspended from October, 2011.

5.3 JOil (Singapore) Pte. Limited (JOil)

JOil, a Jatropha seedling company, is based in Singapore in which the Company holds a 33.78% stake. JOil has been set up by the Temasek Life Sciences Laboratory Limited (TLL), Temasek Life Sciences Ventures Pte. Limited (a subsidiary of Temasek Holdings) and other investors in Singapore. JOil has set up commercial seed orchards in India and Indonesia and has established tie-ups with tissue culture labs at various locations to produce and market high yielding Jatropha seedlings. JOil recently announced the successful yield of more than 2 tons of seeds per hectare in the first year of its field trials and the world's first GM Jatropha with high oleic acid. Through this JV, the Company has secured exclusive marketing rights for JOil's Jatropha seedlings in India and East Africa and a preferential price for seedlings it requires for its own cultivation of Jatropha.

5.4 EPM Mining Ventures Inc.

The Company through its overseas subsidiaries has invested 25.70% stake in EPM Mining Ventures Inc. (EPM), a company listed on the Toronto Stock Exchange, Canada. EPM is an exploration-stage pre-revenue potash development company. Controlling over 123,000 acres on the Sevier Lake in Millard County, Utah, EPM expects to develop a world-class mining site. The project intends to produce Sulfate of Potash (SOP - fertiliser) and other beneficial minerals using an environmental-friendly solar evaporation process.

5.5 Natronx Technologies LLC

The Company, through its subsidiary in United States, has signed definitive agreements to form an equal stake (33.33%) joint venture viz. Natronx Technologies LLC (Natronx) with FMC Corporation, U.S.A. and Church & Dwight Co. Inc., U.S.A. to manufacture and market sodium-based dry sorbents for air pollution control in electric utility and industrial boiler operations. The sorbents, primarily sodium bicarbonate and trona, are used by coal-fired utilities to remove harmful pollutants, such as acid gases, in flue-gas treatment processes. Natronx intends to invest approximately USD 60 million (₹ 300 crores) to construct a 450,000 ton per year facility to produce trona sorbents.

FINANCE

During the year, with a view to augment long-term funds to part-finance the capital expenditure program, the Company has raised USD 60 million (₹ 300 crores) through External Commercial Borrowings (ECB) with a bullet repayment due at the end of 5 years. The Company also generated additional funds through sale of shares of other group companies.

Debenture and FCNR (B) loans of ₹ 150 crores and USD 25 million (₹ 122 crores) respectively were redeemed / repaid on due-dates during the year.

Significant increase in working capital and a firm interest rate regime during the year were challenges faced by the Company. Despite this, the Company was able to contain the increase in interest costs which increased marginally by 4% (₹ 8.70 crores).

During the year, the Company's step-down subsidiary Tata Chemicals North America Inc. (TCNA) had entered into loan agreements to raise debt of USD 375 million (₹ 1,908 crores) to refinance its high cost debt, fund its capital expenditure and to fund distribution to its parent company. The drawdown of the loans were made in March, 2012.

During the year, Rallis India Limited, a subsidiary of the Company and IMACID, a joint venture, have paid dividends of ₹ 20.44 crores and ₹ 100.28 crores respectively to the Company. Further, TCNA, a step-down subsidiary of the Company, has paid a dividend of USD 98.71 million (₹ 473 crores); which has been utilised to repay loans taken for financing the acquisition of EPM Mining Ventures Inc., USA, repay debt of Tata Chemicals Magadi Limited with a view to restructure its balance sheet and redeem preference capital held by the Company.

REORGANISATION OF GLOBAL CHEMICALS BUSINESS

With a view to reduce the number of intermediate holding companies, as also to bring the holding structure of its global chemicals business under a single umbrella, thereby mirroring the holding and the operating structures, the Company initiated plans to collapse the multiple entities in the most efficient and effective manner. To this end, the Company had embarked upon a global reorganisation initiative under which the offshore chemical entities viz. Tata Chemicals Europe Limited, Tata Chemicals Magadi Limited and Tata Chemicals North America Inc. have come under a single holding company through the existing step-down subsidiaries.

Consequently, Bio Energy Venture-2 (Mauritius) Pvt. Ltd. merged with Bio Energy Venture -1 (Mauritius) Pvt. Ltd. and Wyoming -2 (Mauritius) Pvt. Ltd. merged with Wyoming -1 (Mauritius) Pvt. Ltd. Subsequently, Wyoming -1 (Mauritius) Pvt. Ltd. merged with the Company.

AMALGAMATION OF WYOMING-1 (MAURITIUS) PVT. LTD. WITH THE COMPANY

During the year, the Scheme of Amalgamation of Wyoming-1 (Mauritius) Pvt. Ltd. (Wyoming-1), a wholly owned subsidiary, with the Company ('the Scheme') was filed before the High Court of Judicature at Bombay for its sanction pursuant to Section 391-394 of the Companies Act, 1956 ('the Act').

The Hon'ble High Court of Judicature at Bombay sanctioned the Scheme vide its Order dated 4th May, 2012. The Scheme became effective on 23rd May, 2012 with the Appointed Date of the Scheme as 1st January, 2012. No shares of the Company were issued and allotted in lieu or exchange of the equity shares of Wyoming 1 under the Scheme.

Accordingly, the standalone balance sheet for the financial year ended 31st March, 2012 of the Company includes financial results of Wyoming 1 from 1st January, 2012.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements pursuant to clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards is attached herewith.

SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs, the Government of India has vide Circular No. 2/2011 dated 8th February, 2011 granted general exemption subject to fulfillment of certain conditions from attaching the Balance Sheet of the Subsidiaries to the Balance Sheet of the Company without making an application for exemption. Accordingly, the Balance Sheet, the Statement of Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies is disclosed in the Annual Report. The Annual Accounts of these subsidiaries and related detailed information will be made available to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the Registered Office of the Company. The Annual Accounts of the said Subsidiaries will also be available for inspection, as above, at the Head Offices of the respective subsidiary companies.

As on 31st March, 2012, the Company had 46 (direct and indirect) subsidiaries (4 in India and 42 overseas). During the year, following changes have taken place in the subsidiary companies:

- Wyoming-2 (Mauritius) Pvt. Ltd. merged with Wyoming-1 (Mauritius) Pvt. Ltd. with effect from 4th November, 2011.
- Bio- Energy Venture-2 (Mauritius) Pvt. Ltd. merged with Bio- Energy Venture-1 (Mauritius) Pvt. Ltd. with effect from 21st November, 2011.
- Rallis Australasia Pty Limited was liquidated with effect from 31st December, 2011.
- General Chemicals (Soda Ash) Inc. and Bayberry Management Corporation were dissolved with effect from 11th January, 2012.

Subsequent to the year end, Wyoming-1 (Mauritius) Pvt. Ltd. merged with the Company with the Effective Date as 23rd May, 2012.

DIRECTORS

During the year, Dr. M.S. Ananth resigned as Director of the Company with effect from 11th November, 2011. The Board has placed on record its appreciation for his valuable contribution during his association with the Company.

Mr. Cyrus P. Mistry and Dr. Vijay Kelkar have been appointed as Additional Directors on the Board with effect from 30th May, 2012. Dr. Vijay Kelkar is an Independent Director. As per the provisions of Section 260 of the Act, both the Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act in respect of the above persons, proposing their appointment as Directors of the Company. Resolutions seeking approval of the Members for appointment of Mr. Cyrus P. Mistry and Dr. Vijay Kelkar as Directors of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting alongwith brief details about them.

Mr. R. Gopalakrishnan, Mr. Nusli N. Wadia and Mr. E. A. Kshirsagar, Directors of the Company, are due for retirement by rotation and are eligible for re-appointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis and the Corporate Governance Report together with the Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down forms part of the Annual Report.

INFORMATION TECHNOLOGY

The Company's Information Technology (IT) infrastructure is continuously reviewed and renewed in line with the development in technology and its requirements. Progress over unifying the Company's IT platform across all its constituents is continuing with SAP and is expected to be implemented for UK and US operations during the current financial year i.e. FY 2012-13.

AWARDS AND RECOGNITIONS

The Company/ its subsidiaries during the year has won many awards some of which are listed below:

Excellence

- National Training Award to Tata Chemicals Europe
- National Award for "Significant Achievements in Employee Relations"
- Mother Teresa Award for Corporate Citizen 2011
- Employer Branding Award 2012

Corporate Sustainability and SHE

- "Certificate of Merit" by HP Eco solutions and "Eco recognition"
- Listed in top 5 companies at the FE - EVI Green Business Leadership Awards
- Business Action on Health Awards for its standout efforts in community health care to Tata Chemicals Magadi Limited
- Ranked in top ten Carbon Disclosure Leadership Index in Carbon Disclosure Project 2011
- CII - ITC Sustainability Awards 2011

Communications

- 11 Awards including the 'Champion of Champions' Trophy at the 51st Annual ABCI Awards

Knowledge Management

- Asia's Most Admired Knowledge Enterprise (MAKE) winner 2011

Product

- Aqua Excellence Awards - 2011 for "Water Supply & Treatment" to Tata Swach
- Awards in three categories at the Annual FAI Awards 2011
- Designomist 2011 for Tata Swach
- Voted by Consumers as the "Product of the Year - 2012" - Tata Swach

Finance

- SAFA Best Presented Accounts Award

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure 'A' and forms part of this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Tata Chemicals Limited

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the FY 2012-13. The members are requested to consider their appointment and authorise the Board of Directors to fix their remuneration. The auditors have, under Section 224(1B) and Section 226 of the Act, furnished certificate of their eligibility for the appointment.

COST AUDITORS

The Central Government has approved the appointment of the following Cost Auditors for conducting cost audit for the financial year ended 31st March, 2012:

- M/s. N.I.Mehta & Co. for manufacture of soda ash, caustic soda and cement at Mithapur; fertilisers and chemicals at Haldia; and
- M/s. Ramanath Iyer & Co. for manufacture of fertilisers at Babrala.

The due date for filing the Cost Audit Report with the Ministry of Corporate Affairs for the financial year ended 31st March, 2011 was 30th September, 2011. The Cost Audit Reports for the products mentioned above were filed between 27th September, 2011 to 29th September, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Act, the Directors, based on the representations received from the Operating Management, confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii) they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz., 31st March, 2012 and of the profit of the Company for the year ended on that date;

iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for their continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support extended by the Company's Unions and all the employees for their dedicated service.

On behalf of the Board of Directors

RATAN N. TATA
Chairman

Mumbai, 30th May, 2012

ANNEXURE TO THE DIRECTORS' REPORT

Annexure 'A'

(UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956)

Disclosures

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

- Installation of Energy efficient 16watt LED fittings.
- Variable Frequency Drive (VFD) installed for 220hp scrubber fan and 5hp disc feeder in SSP Plant.
- Energy Audit was carried out internally. Improved the condensate recovery by activating non-electrical driven PAPPU pump. The areas where power was wasted in day time were identified and provided with timer.
- Transpak sheets were put on roof structure top to minimise day time power consumption.
- Reduction in specific power consumption at compressor.
- Energy efficiency measures for lighting system. Entire lighting system replaced by 70W MH in Make-up Water and Kiln.
- Reduction in steam rate of Turbine by overhauling.
- Rectifier up-gradation in chloro caustic plant.
- Increasing the height of Lime kiln and modification of top mechanism and replacement of brick lining.
- Supply Voltage optimisation.
- Replacement of Split ACs and Township fans by 5 star rated ones.
- Intelligent Motor Control Centres installed.
- Implementation of Advanced Process Controller (APC) in Captive Power Plant (CPP) to improve its efficiency.
- Installation of solar geyser in township houses to reduce electricity consumption.
- Renovation of ammonia plant primary reformer catalyst tube, catalyst and furnace and dog house to improve reformer efficiency and reduce heat loss.
- Replacement of Synthesis loop water cooler with duplex tube material and shell of steam super-heater for better thermal performance.
- Titanium Urea Stripper replaced with Bi-metallic Urea Stripper in 11-Urea Stream to reduce steam consumption in Urea plant.
- Replacement of Carbamate Condenser in 21 unit of Urea plant to generate more low pressure steam and hence to reduce net steam import in urea plant.

(b) Additional investments and proposals, if any, being implemented for reduction of energy consumption:

- Overhauling of Turbo Generator to improve reliability and efficiency proposed in FY 2012-13.
- Replacement of uneconomical repairable AC / Water cooler/ Refrigerator proposed in FY 2012-13.
- New capital projects being done with energy efficient motors, energy efficient lighting, high efficiency distribution transformers.
- New Energy Audit - Power plant energy audit conducted by Electrical Research and Development Association and Cement Plant energy audit conducted by Confederation of Indian Industries. Recommendations are being evaluated for implementation.
- Replacement of Membrane, Coated Titanium Medium Mesh for Electrolyser.
- Energy efficiency measures for lighting system. Entire lighting system replaced by 70W MH in Cement Plant.
- Energy efficient motors of Efficiency Class 3 efficiency class installed at cement plant.
- Replacement of Boiler Feed Water turbine with better efficiency turbine to reduce high pressure steam consumption in ammonia plant.
- Installation of Turbo-expander in fuel natural gas line and Ammonia recovery off-gas line to reduce electricity consumption in ammonia plant.
- Pre-heating of feed CO_2 to urea reactor by compressor second stage discharge to increase the temperature up to its design value. The scheme would result in steam consumption in urea plant.
- Up-gradation of Combustion Air pre-heater to reduce heat loss from primary reformer convection zone. The scheme would result in better combustion efficiency of primary reformer furnace and conserving fuel natural gas.
- Installation of 100 KW Solar PV System in township to generate power.

(c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:

- Reduction in green house gas emission.
- By closing Energy Audit points, the areas where power was wasted in day time were reduced through timer implementation.
- Reduction of power consumption.
- Reduction in specific consumption of steam in Ammonia and Urea plant.
- Reduction of power consumption in Ammonia and Urea plant.
- Reduction of fuel natural gas consumption in Ammonia.

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(d) Total Energy consumption per unit of production as per Form A:

Form A

The captive Steam Power plant at Mithapur is based on "Total Energy" concept, co-generating steam and power and therefore the cost of steam and power is shown as a composite number in the following calculation:

POWER AND FUEL CONSUMPTION

	Current Year 2011-12	Previous Year 2010-11
1 ELECTRICITY		
(a) Purchased		
Units (Kwh)	**441,15,696**	415,04,115
Total Amount (₹ Crores)	**28.44**	24.90
Avg. Rate (₹/Kwh)	**6.44**	6.00
(b) Own Generation		
(i) Through Diesel Generation (Mwh)	—	—
Unit per litre of diesel	—	—
Cost per Unit (₹)	—	—
(ii) Through Power Plant Unit (Mwh)	—	—
Cost per Unit (₹/Kwh)	—	—
(iii) Through Steam Turbine/Generator Unit (Mwh)	**4,70,260**	4,51,717
Steam produced (Tonnes)	**48,04,594**	46,89,462
Total Value of Electricity and Steam produced (₹ Crores)	**406.64**	334.24
(iv) Through Gas Turbine		
Units produced (Mwh)	**1,76,252.00**	1,71,757.00
Steam produced (Tonnes)	**12,30,021.00**	11,94,249.00
Total Value of Electricity and Steam produced (₹ Crores)	**142.38**	117.74
2 Coal (specify quality and where used)		
(Mostly imported Coal received from various sources and "A" Grade Lignite are used in Boilers)		
Quantity (Tonnes)	**6,55,162**	6,56,965
Total Cost (₹ Crores)	**393.20**	321.48
Average Rate (₹/Tonne)	**6001.55**	4,893.36
3 Natural Gas		
Purchased (SCM)	**22,13,86,518.63**	23,31,49,217.00
Total Cost (₹ Crores)	**204.67**	187.30
Average Cost (₹/SCM)	**9.24**	8.03
4 Regassified Liquified Natural Gas		
Purchased (SCM)	**1,92,34,216.00**	43,98,184.00
Total Cost (₹ Crores)	**36.39**	8.81
Average Cost (₹/SCM)	**18.92**	20.03
5 Naphtha		
Purchased (KL)	**551.00**	1,105.42
Total Cost (₹ Crores)	**0.97**	1.95
Average Cost (₹/KL)	**17,655.93**	17,655.92
6 Furnace Oil		
Purchased(KL)	**1190.00**	2059.00
Total Cost (₹ Crores)	**4.34**	5.62
Average Cost (₹/KL)	**36,497.00**	27,282.00
7 HSD		
Purchased(KL)	**82.37**	674.85
Total Cost (₹ Crores)	**0.32**	2.51
Average Rate(₹/KL)	**38,766.00**	37,263.00

CONSUMPTION PER UNIT OF PRODUCTION

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2011-12	Previous year 2010-11	Current Year 2011-12	Previous year 2010-11
Soda Ash Light	**172.33**	169.49	**3.63**	3.60
Sodium Bicarbonate	**56.57**	53.03	**0.89**	0.78
Caustic Soda Evaporated	**2,772.01**	2,641.29	**0.91**	1.88
Vacuum Evaporated Salt	**61.57**	59.39	**2.21**	2.15
Cement	**134.00**	147.01	—	—
Urea	**60.20**	62.46	**0.96**	1.00
Ammonia	**154.88**	158.33	**0.16**	0.12
Sulphuric Acid	**46.13**	43.72	—	—
Phosphoric Acid	**287.60**	375.09	**0.660**	0.914
Sodium Tripolyphosphate	—	409.68	—	2.04

CONSUMPTION PER UNIT OF PRODUCTION (Contd.)

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2011-12	Previous year 2010-11	**Current Year 2011-12**	Previous year 2010-11
Diammonium Phosphate	**56.22**	51.89	**0.08**	0.07
NPK Complexes	**32.10**	33.27	**0.05**	0.05
Single Super Phosphate	**29.38**	23.40	—	—

	Furnace Oil Ltr/Tonne	
	2011-12	2010-11
Sodium Tripolyphosphate	—	98
Diammonium Phosphate	**1.11**	0.54
NPK Complexes	**2.47**	2.23

B. TECHNOLOGY ABSORPTION

Form B

Research and Development (R&D)

1. **Specific areas in which R&D is carried out by the Company**
   - Our New Product Development team at Haldia has developed process for manufacturing of KNO3 (Potassium Nitrate) and water soluble NPK (19:19:19) and lab trials were taken, process map finalised and the products confirms to the specification.
   - Lab trial was completed for Zincated NPK (10:26:26). After successful plant trial, material has been sent for field trial.
   - Lab trial successfully completed for the products lik Double fortified SSP (Zn & B) Zincated DAP, Boronated DAP and Zincated SSP. After successful plant trial, material has been sent for field trial.
   - Recovery of Potassium Sulphate (SOP) from sea bittern.
   - Installation of 3 Tonnes Per Day SOP pilot plant in progress.
   - Installation of Magnesium Oxide pilot plant in progress.
   - Recovery of Sodium Bicarbonate from Mother Liquor.
   - Recovery of Sodium chloride and Calcium chloride from soda ash effluent.
   - Recovery of Sodium chloride and Magnesium chloride from sea bittern.
   - Improvement in Bicarbonate efficiency.
   - Waste utilisation.
2. **Benefits derived as a result of above R & D**
   - Plant trial has completed for Zincated NPK (10:26:26). Material was sent for field trial. Feedback from market is very promising.
   - Plant trial completed for the products, Double fortified SSP (Zn & B) Zincated DAP, Boronated DAP and Zincated SSP.
   - Collection of data for process scale up and validation of technical and economical feasibility.
3. **Future plan of action**
   - Installation of manufacturing plant of sulphate of potash from sea bittern.
   - Continued R&D efforts to attain objectives of cost reduction, energy conservation, waste minimisation / recycling and reuse, related value added products, reduction in carbon footprints and environmental improvement.

4. **Expenditure on R & D**	**2011-12 ₹ Crores**	2010-11 ₹ Crores
(a) Capital	**1.39**	4.13
(b) Recurring	**14.99**	16.73
(c) Total	**16.38**	20.86
(d) Total R & D expenditure as a percentage of Total Turnover	**0.20%**	0.33%
Technology Absorption, Adaptation & Innovation		
1. Efforts made towards technology absorption, adaptation and innovation	**3**	2
2. Benefits derived as a result of the above efforts	**>2.4**	NA
3. Imported technology		
(a) Technology imported	None	Evatherm Salt Technology
(b) Year of import	**NA**	2010-11
(c) Has technology been fully absorbed?	**NA**	Yes
(d) If not fully absorbed, reasons and future course of action	**NA**	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year 2011-12 ₹ Crores	Previous year 2010-11 ₹ Crores
1. Foreign exchange earned		
(a) Export of goods on FOB basis	**56.03**	41.73
(b) Interest Income from subsidiary	**0.00**	0.47
(c) Dividend	**100.28**	10.98
(d) Miscellaneous Income	**1.77**	0.00
2. Outgo of foreign exchange Value of imports (CIF)		
(a) Raw materials and fuels	**3,801.49**	2,529.61
(b) Stores, components and spares	**14.16**	9.31
(c) Capital goods	**87.46**	40.11
3. Expenditure in foreign currencies	**150.70**	146.80
4. Remittance of dividends	**39.05**	29.85

Tata Chemicals Limited

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL BUSINESS ENVIRONMENT

In the Financial Year (FY) 2011-12, there were multiple economic events that impacted the global economy as world GDP grew by 3.9%. These include Brent crude oil crossing US$ 125 per barrel in early 2011, Portugal needing bailout (following Greece and Ireland), Greece getting its second tranche of bailout funds, downgrading of US sovereign debt to AA+, gold price of US$ 100 per ounce after global stock markets stumbled in August 2011, Italy's debt rating reduced by three grades in October 2011, cut in Eurozone interest rate to 3%, Ed Nusbaum's call for a US$ 1 trillion bailout fund for European Union (EU) and Russia agreeing to join the World Trade Organisation (WTO). During the year, emerging economies grew at about 6.2% followed by advanced economies at 1.6%.

In FY 2011-12, India's GDP grew at 6.9% compared to an average of 8.7% growth from 2005-06 to 2010-11. The services sector grew at 9.4% and is estimated to have accounted for 59% of GDP during the year. Manufacturing activity was subdued due to monetary tightening, weak external demand and a lack of investment activity resulting from regulatory issues that impacted capital expenditure projects. In agriculture, a normal south-west monsoon combined with high market prices and minimum support prices of food articles resulted in record levels of production of wheat, rice and cotton. However, there were many instances where farm-gate price realisations were lower than minimum support price and thus affected farmers' margins. The 12 month moving average Index of Industrial Production fell from 8.2% at the beginning of the year to 4% in February, 2012. A high interest burden reduced the profit growth of the corporate sector by 6.6% year-on-year with the manufacturing sector recording a substantial reduction of 25.4%. For FY 2011-12, the current account deficit is expected to settle at about 4% of GDP, one of the highest ever driven primarily by the ballooning trade deficit estimated at US$ 185 billion, another "highest ever".

Outlook for the Global Economy in FY 2012-13

Economic disparities, fiscal crises, climate change, energy price volatility combined with geopolitical conflicts, fragile power structures, weakening confidence in governance across the globe and rapid changes in the technological landscape make operating in this world, highly complex, challenging and unpredictable for enterprises.

The world economy is projected to grow by about 3.5% in 2012. Emerging economies are projected to grow at 5.6%; this is about 0.7% lower than the 6.3% achieved in 2011, partly as a result of slower export growth and partly because several of them have been growing above average. Growth of advanced economies will reduce further to about 1.4% from the already meagre 1.6% growth of 2011. While the US economy is expected to show some recovery in 2012; its sustainability remains in doubt owing to uncertainty in areas such as fiscal spending, depressed construction activity coupled with recessionary conditions in the EU zone. Additionally, the debt crisis in the Euro zone is likely to keep sentiments subdued in 2012.

A larger risk for the global economy is a slowdown in average output per capita, which will determine how fast living standards can be supported and raised. Globally, since the beginning of the century, the per capita growth rate of income has been around 2.5 percent. The greatest challenge for the global economy in this slower growth period is to raise / maintain productivity without destroying opportunities for the millions who are looking for jobs that will allow them to support their living standards.

India's GDP growth rate in FY 2012-13 is projected in the 7 - 7.5% band; a modest improvement over the previous fiscal. This implies that overall demand conditions will not be significantly different from FY 2011-12. However, achieving these projections will also necessitate a move away from the current sloth-like stance on reforms required to ease bottlenecks in critical sectors such as infrastructure, energy and minerals along with policy measures to improve investor (global and Indian) sentiment. Looking ahead, the Indian economy could be impacted substantially by currency volatility, debt market sentiment, oil price and global trend of protectionism.

BUSINESS UNITS AND GROWTH STRATEGY

Tata Chemicals Limited ('the Company' or 'TCL') is a global company with interests in chemicals, crop nutrition and consumer products and serves a diverse set of customers across five continents. Established in the year 1939 at Mithapur, the Company today has the world's second largest capacity in soda ash and is a pioneer and market leader in the Indian branded iodised salt segment. The Company is also a key producer of nitrogenous and phosphatic fertilisers in the private sector and markets a range of crop nutrition offerings under Tata Paras brand.

The Company has its manufacturing facilities across four continents. With manufacturing facilities in India, UK, Kenya and USA, the Company is the world's most geographically diversified soda ash company with almost two-thirds of capacity comprising natural soda ash giving it global competitive advantage. The Company is also the fourth largest manufacturer of sodium bicarbonate in the world. The Company's nitrogenous fertiliser plant is located at Babrala while phosphatic fertilisers are manufactured at Haldia.

The industrial chemicals business continued to focus on building its global market share. The Company continues to focus on improving the efficiency of the global operations. At Tata Chemicals North America, a capacity debottlenecking project increased capacity ~ 100,000 Metric Tonnes (MT). The Tata Chemicals Europe (TCE) business grew on the back of a strong performance of British Salt Limited (acquired in FY 2010-11). The Company has been taking multiple measures to improve the profitability of operations at Tata Chemicals Magadi Limited which resulted in improved margin performance in FY 2011-12.

Within the crop nutrition and agri-business, Babrala continues to hold the position of the most energy efficient Urea plant in the country. There was a plant shutdown undertaken in early FY 2012-13 to replace the ammonia convertor. The plant has recommenced operations and production has been scaled up smoothly. Complex fertiliser operations in Haldia helped the Company dominate market share in the Eastern part of the country. During FY 2011-12, a debottlenecking project in Haldia helped increase Single Super Phosphate (SSP) capacity by ~ 50,000 MT. Customised fertilisers have been well received by the farmers and the Company plans to consolidate its position in this business. The Company plans to aggressively grow the specialty nutrients business which has seen accelerated growth in India in the recent years. Rallis India Limited (Rallis) plans to focus on international business which already accounts for a third of it's revenue. Rallis has entered into definitive agreements for the acquisition of Zero Waste Agro Organic Private Limited which will help the company expand its portfolio with organic fertilisers and soil conditioners.

On the consumer products front, the branded salt portfolio continues to enjoy significant market share. Tata Salt and I-Shakti achieved a market share of 64% (National Branded Salt). The 200,000 MT salt capacity expansion in Mithapur was successfully commissioned in FY 2011-12 and will add to salt volumes in FY 2012-13. The Company recently launched Tata Salt Plus – iron fortified iodised salt. This is India's first national brand of packaged salt with iodine plus iron and is aimed at addressing and eradicating the prevalence of iron deficiency through one of the most widely consumed food essentials. The Company intends to aggressively grow this business over the next few years. Another value added product launched during the year was flavoured salt called Tata Salt 'Flavoritz' which is available in 3 distinct flavours. The launch marks the entry of the first indigenous brand of flavoured salt in India.

'I-Shakti' pulses which were launched in FY 2010-11 were expanded to over 19 states. Sourcing of these pulses is being carried out through a unique model wherein the Company organises finance as well as Package of Practice (POP) for the farmers and offers to buy back their produce in a transparent manner. While the farmer gets the advantage of higher productivity and market access, the Company is able to reach the material to consumers cost effectively by reducing intermediaries.

The Tata Swach water purifier business is focusing on introducing new variants in the units and the bulb.

INORGANIC CHEMICALS SEGMENT

The key products under the segment of Inorganic Chemicals are soda ash, sodium bicarbonate, cement and salt.

Soda Ash

With a capacity of over 5 million MT, the Company is the second largest soda ash manufacturer in the world. About two-thirds of this capacity is based on natural soda ash. This unique feature helps the Company to have a low energy intensity and low environmental footprint. The Company's natural soda ash (derived from trona) operations are located at Lake Magadi in Kenya and at the Green River Basin of Wyoming in the USA where the world's largest deposits of trona occur. Synthetic soda ash and sodium bicarbonate are manufactured at Northwich, UK and Mithapur, India. This process uses brine (salt water) and limestone as key raw materials.

With manufacturing facilities located across four continents: North America, Europe, Africa and Asia, the Company has the ability to optimally serve customers across the globe. Additionally, distributed sourcing of raw materials increases the reliability of supplies and mitigates the risks associated with potential regional disruptions that can adversely impact the global supply chain.

Tata Chemicals Limited

In 2011, global soda ash demand exhibited strong growth. The emerging economies have been the primary growth driver for soda ash over the past decade. With rapidly increasing GDP and urbanisation, these economies have experienced an increased per capita consumption of products using soda ash including flat glass (automobiles, housing), container glass (beverages), detergents, baked goods, clean water and sodium based chemicals. This year the demand has also recovered in the large developed economies such as the EU and USA. Overall, world demand is forecasted to grow 4-5% through 2016.

Global soda ash production capacity increased approximately 6% to 67 million MT with the growth almost entirely occurring in China. The global demand grew at 6% to 52 million MT in 2011. However, the over-capacity is region specific. China and Europe have more capacity than demand while the producers in US, Kenya and India are operating at high rates. Global operating rates have recovered from 70% experienced during 2009, but are still well below the 85% realised before the financial crisis. The global average utilisation of name-plate capacity, moderated by comparatively lower levels of China and Europe, remains around 77%.

Global soda ash prices began to increase in 2011 and continued into 2012 reflecting both increased input costs across the world as well as tight soda ash supply in some regions. Energy prices in particular have dramatically increased from the lows of 2009, raising the costs of both natural and synthetic soda ash producers and is expected that energy and other input costs are likely to continue increasing, more so for the synthetic producers due to their higher energy intensity relative to the natural soda ash producers. Consequently, soda ash prices are likely to increase in the short term in line with energy and other input costs even in the face of excess capacity as the marginal cost producers in China and Europe seek to pass on their cost increases.

The Indian soda ash demand remained flat due to delays in commissioning of float glass lines and increased consumption of substitutes. However, due to continued focus on growing the domestic market, the Company's domestic soda ash sales volumes increased by 1.5%, leading to an increase in market share by approximately 1%. Increase in realisations helped to partially mitigate the impact of the increase in input costs. The Company's strong relationship with customers and its relentless focus on increasing its already high service levels has provided the Company the opportunity to consolidate its market position in 2011. While global prices remained under pressure, higher domestic sales volumes helped maintain profit levels.

New flat and container glass plants are expected to come on-line in India in the coming years along with expansion of existing operations. With the Indian economy expected to continue robust growth, the detergent and chemical sectors are also expected to maintain their growth trajectory. Consequently, soda ash demand in India is anticipated to grow 6% through 2016.

Sodium Bicarbonate

Sodium bicarbonate is commonly used as a pharmaceutical ingredient, food additive, animal feed and in air pollution control. The Company is the world's fourth largest producer of sodium bicarbonate and the market leader in India and UK.

In Europe, TCE's sodium bicarbonate brands, Briskarb® and Alkakarb®, have wide market acceptance and an established position. In 2011, demand for sodium bicarbonate in the UK was at its highest level ever at 63,000 MT, which represented a 9% increase over 2010 levels. The sector continues to be driven by treatment of flue gas from waste incineration activities. TCE's production improved marginally over FY 2010-11 levels, but this was not sufficient to take advantage of market growth opportunities; market share declined to 70% (from 73% in 2010). In India, domestic sales were marginally higher during the year helping the Company achieve a market share of 52% in the domestic market. Sodium bicarbonate demand continues to demonstrate healthy growth across all consuming sectors, particularly in food related applications. Over the past year, the market grew 5% as against 15% in the previous year. Despite the lower than expected growth for 2011, growth rates of 18% are anticipated for the next 5 years. Growth drivers are reagent demand in alkali leaching of uranium ore and sustained incremental demand in the food and feed sectors.

Cement

The Company's cement plant was setup in the year 1993 to handle solid wastes generated as by-products of soda ash manufacture. The Company uses technology to separate solid effluents and process them into Ordinary Portland Cement (OPC) and Masonry cement. Masonry cement will enable the Company to convert its fly ash (generated in the power plant) into useful construction material. While the upward trend in raw material and energy prices is likely to impact margins, the business will continue to focus on catering to nearby markets for maximising realisation. Cement sales crossed 500,000 MT for the first time in 5 years in FY 2011-12 and will continue to be supported by high regional growth rates of 10% predicted for FY 2012-13, up from 6% for FY 2010-11.

Salt

The estimated current annual consumption of edible salt in India is ~ 5.7 million MT. The demand for edible salt is expected to grow at 1.3%. The private sector contributes over 88% of the salt production, while the public sector has a share of about 2%, the cooperative sector contributes about 10%.

The salt portfolio continued to grow in FY 2011-12 leveraging the brand equity and a strong distribution network. While continuing its leadership position in the packaged salt market, Tata Salt maintained its position in the Top 3 Most Trusted Food brands as per Economic Times Brand Equity Survey. I-Shakti Salt is now the second largest packaged national salt brand after Tata Salt. Tata Salt Lite continues to lead in the premium low-sodium salt segment. All the brands continued to grow and have together achieved a market share of over 64% among the national salt brands. In FY 2011-12, the Company expanded the salt production capacity by 0.2 million MT which will help in consolidating market position in FY 2012-13.

To enhance Tata Salt's offerings to the consumers as also to address latent consumer requirements and expectations, two innovative products - 'Tata Salt Plus' (Iron fortified salt) and 'Flavoritz' (Flavoured salt) have been introduced. The vision for Tata Salt Plus is to help eradicate iron deficiency (anemia) through the 'Iron fortification' of iodised salt. The Flavoritz innovation intends to involve and empowers the consumers in creating a difference in the daily chore of cooking by offering 'Taste *mein* twist'.

FERTILISER AND OTHER AGRI INPUTS

Climate change, energy and food security are major concerns for developing countries. Food grain production in India is majorly dependent on monsoon. FY 2011-12 witnessed above average rainfall in the country and agricultural output has been excellent in Northern and Eastern parts of the country which are the main operating geographies for the Company. Food grain production in FY 2011-12 is estimated at 253 million MT - a record high. Food grain prices have, however, remained subdued due to higher production. Agriculture sector in India continues to experience labour shortage which will act as an incentive for increased mechanisation of operations.

Fertilisers and Agri input segment is a major component of the Company's business in India. The Company along with its subsidiary Rallis have in due course of time transformed into an integrated agri input player in the domestic market with a unique and diverse product portfolio ranging from basic and specialty nutrients, pesticides, seeds and farm services which are offered by a strong and experienced sales and distribution channel. The Company remains focused on providing quality agri inputs and solutions to farmers that result in increase in productivity. The Company also plans to build on this relationship with the farmer by sourcing of specific crops for distribution to households through its consumer products distribution network.

The Company manufactures urea (at Babrala) and Phosphatic Fertilisers (at Haldia) in India. Rallis, a subsidiary of the Company, is a major player in the fast growing crop protection market in India. With Rallis' acquisition of Metahelix Life Sciences Limited (Metahelix), a research led seeds company, the Company has expanded its portfolio to seeds. TCL imports Muriate of Potash (MOP), Di-ammonium Phosphate (DAP), Specialty Fertilisers and other crop inputs which are sold via the Company's widespread sales and distribution network. The Company also has a joint venture with Indo Maroc Phosphore S.A., Morocco (IMACID) which produces Phosphoric Acid – a key raw material for phosphatic fertilisers such as DAP and Nitrogen, Potash and Phosphorous (NPK).

In addition to the conventional sales channel, the Company operates a dedicated retail network of 'Tata Kisan Sansar'. Similarly, Rallis operates a farmer connect program known as 'Rallis Kisan Kutumb' through which large number of farmers are connected with the company for exploring various opportunities of mutual interest.

Outlook for FY 2012-13

The Union Budget for FY 2012-13 has given a very strong emphasis on achieving self sufficiency in urea. The focus on growth of agriculture continues with higher budgetary outlay and increased lending targets for banks. All these developments will help in spurring demand and augur well for the Company. On the other hand, there has been a reduction in the subsidy of Phosphate and Potash. This along with the weakening rupee could potentially lead to extensive price negotiating that may delay the imports of DAP and MOP.

With high food inflation, a substantial shift is being observed towards cash crops, for example, sugarcane acreage has increased by more than 4% this year. Use of hybrid seeds, especially in crops like cotton, paddy and vegetables, is expected to further increase. Overall outlook for the FY 2012-13 looks encouraging subject to normal monsoon as predicted by the Government.

Urea

Urea imports into India have crossed the 7 million MT per annum mark in FY 2011-12. This figure may likely rise since there has been no addition to indigenous production capacity of urea in India during the last decade. The Committee under the chairmanship of Dr. Saumitra Chaudhary, Member, Planning Commission proposed a New Urea Investment Policy which was approved by the Empowered Group of Ministers in January, 2012. The same is now awaiting the approval of the Cabinet Committee of Economic Affairs post which it will be formally announced. The Company has already expressed its interest in doubling the production capacity at Babrala subject to a supportive investment policy. The additional capacity will increase the Company's market share and also widen reach to other geographies (South & West India). The New Urea policy would also promote variants of urea such as coated urea and fortified urea providing farmers with multiple options for efficient use.

DAP, NPK, SSP

Nutrient Based Subsidy (NBS) introduced in FY 2010-11 has impacted the Crop Nutrition business significantly. Strengthening global prices for DAP and MOP in FY 2011-12 led to a sharp increase in prices in the domestic market which in turn has caused some demand destruction. NBS, when extended to all fertilisers including urea, will promote the balanced use of fertilisers – a critical step for enhancing the productivity levels. NBS will also promote the use of more efficient fertiliser products and raise farmer awareness levels.

Rallis

Rallis has a significant presence in the crop protection segment with a wide portfolio of offerings such as pesticides, herbicides and fungicides amongst others. With the acquisition of Metahelix, a research based seeds company with a strong pipeline of products, Rallis has expanded its basket of offerings to the farmer.

Globally, the crop protection industry had a very good year in 2011. Overall the global market grew by 17% to reach to US$ 44.92 Billion from US$ 38.31 Billion. The factors giving a boost to the growth of the Agrochemicals included a significant improvement in crop commodity prices in comparison to 2010.

The investments in International Business Division (IBD) is paying off and has shown commendable performance over last year. Rallis has entered into definitive agreements for the acquisition of a majority equity stake in Zero Waste Agro Organics Private Limited which will strengthen the Company's portfolio with organic manure and soil conditioner products to improve deteriorating soil health and drive agriculture productivity. Acquisition of this organic manure business will spur the Company's growth strategy.

New Products

The Company plans to focus on the sale of seeds, fertilisers, specialty nutrients and pesticides which are all customised to the need of the local farmer and for achieving this, the Company may extend its domestic presence. The Company plans to expand its product portfolio with the introduction of new Water Soluble Fertilisers, Hybrid seeds and Organic fertilisers.

Specialty Nutrients

Water soluble fertilisers and micro nutrients are known for their specialised application and this market has been growing rapidly in India. These nutrients are complimentary to bulk fertilisers and its applications are made at critical crop growth stages for improvement in yield and quality. The Company is well positioned to market these products in existing and new geographies.

Customised Fertilisers

Customised fertilisers are knowledge based fertilisers carrying macro and micro nutrients designed for specific area and crop, thus, providing holistic solution to deteriorating soil health. It has a significant impact on the nutrient use efficiency and helps farmers realise full yield potential for all crops. The Company has already taken a lead in the market by commissioning its first customised fertiliser plant at Babrala. Farmers have given favourable feedback on its convenience of use, increased yield as well as improved quality of the produce. The sales growth has been slow in view of the current subsidy mechanism and the initial hesitation in adopting an expensive but novel product. Continued interaction with the farmers will be needed to popularise the concept. It is heartening to note that the 12th Five year plan document on agriculture also explicitly talks about use of customised fertilisers for sustainable crop productivity. The Company has so far got four grades registered/approved for major crops like paddy, wheat, potato and sugarcane for some specific geographies.

Trading

With the introduction of NBS, the risk of global price volatility needs to be managed by the Company. In view of reducing this risk and importing products like DAP, NPK and MOP at internationally competitive prices, the Company has entered into long term tie-ups with the suppliers.

Tata Kisan Sansar and Rallis Kisan Kutumb

Tata Kisan Sansar, a dedicated network for distribution of agri inputs, is well established in North and East geographies. This concept offers “One Stop agri input shop” to farmers. Besides, it provides a credible, dependable shop whose products and services could well be relied upon. Tata Kisan Sansar shops are franchised and located at block level for ease of access to farmers. It provides direct connect with the farmers to understand their changing needs and tailor products and services accordingly. Services like Soil Testing, Tata Kisan Parivar Membership (TKPM), Smart Krishi, Foliar Nutrition service help build strong relations with the farmers. Currently, there are more than 700 Tata Kisan Sansar’s in operation.

Rallis’ customer relationship building activities branded under the umbrella of Rallis Kisan Kutumba (RKK) has grown with successful introduction of key initiatives like Samruddh Krishi , expansion of MoPu (Grow More Pulses), State partnership, Prerna and others. These initiatives, along with customer centric promotional activities and a product portfolio current with the market needs, has helped farmers to a great extent in protecting their crops effectively, improving quality and yield of produce and ultimately in improving their standard of living. The RKK today directly services over seven lakh farmers.

OTHERS:

Biofuels

The Company after two years of operational experience closed down its bio-ethanol test plant of 30 KLPD at Nanded, Maharashtra during the year. In respect of its bio-ethanol project based on sugarcane at Mozambique, the Company is taking a cautious approach due to uncertain economic environment in Europe.

Water Purifier

Indian water purifier market is on a growth trajectory and has witnessed steady growth over the past few years.

Tata Swach Water Purifier has had a successful run since launch. As of end April, 2012, the cumulative units sold (purifiers + bulbs) has crossed 1 million units. During the previous year, Tata Swach also became the first purifier in India to enter e-commerce and setup an online store. Consumers can now purchase Tata Swach purifiers, bulbs and spare parts directly through the website. The business has also set-up a formal customer care division in Tata Swach. Both these initiatives have been very well accepted by the consumers.

Adding to its list of awards and accolades that includes the prestigious Wall Street Journal’s Asian Innovation Awards, the Design of the Decade award, the IFF award, etc., Tata Swach was recently voted as the “Product of the Year 2012” in a survey conducted by Nielsen across 30,000 consumers in over 36 cities.

Pulses

The encouraging performance of the initial pilot led to the expansion of Tata I-Shakti unpolished pulses nationally leveraging its distribution network. The product is now available in 19 States. In the coming year, the Company intends to focus on brand building initiatives and expanding reach.

Tata Chemicals Limited

Offering superior quality over polished pulses, TATA I-Shakti unpolished pulses have a clear edge. Tata I-Shakti Unpolished pulses are all-natural and do not undergo water or oil polishing thereby retaining the nutrients and have less moisture.

The Grow More Pulses program now engages over 20,000 farmers in 500 villages guiding them to improve the productivity of pulses and also source good quality pulses.

ANALYSIS OF FINANCIAL PERFORMANCE:

Financial Analysis of Tata Chemicals Limited (Standalone entity in India) – Year Ended 31st March, 2012

1. Net Revenue from Operations:

(₹ in crores)

	FY 12	FY 11	Change	% Change
Sale of products	8,071	6,352	1,719	27
Other Operating Income	75	108	(33)	(31)
Less: Excise Duty	159	127	32	25
Net Sales/Income from Operations	**7,987**	**6,333**	**1,654**	**26**

Net Sales increased by 26% during FY 12 over FY 11 mainly due to higher realisation in consumer products and inorganic chemicals and trading business viz., imported DAP/MOP and higher Subsidy income.

2. Other Income:

(₹ in crores)

	FY 12	FY 11	Change	% Change
Other Income	280	108	172	159

The increase in other income is attributable to higher dividend received from one of the joint venture companies and profit on sale of Trade investment in quoted equity shares in FY 12.

3. Cost of materials consumed:

(₹ in crores)

	FY 12	FY 11	Change	% Change
Cost of materials consumed	2,865	2,199	666	30

Raw material consumption showed an increase of 30% during FY 12 over FY 11 mainly due to higher prices of Phosphoric Acid, Ammonia and Regassified Liquified Natural Gas (RLNG) and Natural Gas.

4. Purchases of stock-in-trade:

(₹ in crores)

	FY 12	FY 11	Change	% Change
Purchase of stock-in-trade	2,168	1,309	859	66

Cost of traded goods purchased increased by 66% mainly on account of significant increase in price in trading products viz., imported DAP/MOP and higher volumes of traded product (Imported DAP).

5. Power and Fuel:

(₹ in crores)

	FY 12	FY 11	Change	% Change
Power and Fuel	685	570	115	20

The increase in power and fuel cost during FY 12 over FY 11 is mainly on account of higher consumption in Pet Coke and significant increase in prices of coal and Administered Price Mechanism (APM) and Liquified Natural Gas (LNG).

6. **Freight and forwarding charges:**

(₹ in crores)

	FY 12	FY 11	Change	% Change
Freight and forwarding charges	479	427	52	12

The increase in freight and forwarding charges during the FY 12 over FY 11 is due to increase in sales volumes and increase in rail and road freight charges.

7. **Other Expenses:**

(₹ in crores)

	FY 12	FY 11	Change	% Change
Other expenses	185	190	(5)	(3)

Other expenses have gone down mainly due to decrease in professional fees.

8. **Investments:**

(₹ in crores)

	FY 12	FY 11	Change	% Change
Trade Investments:				
Investment in Subsidiary Companies	4,046	4,304	(258)	(6)
Investment in Joint Ventures	180	176	4	2
Investment in Other Companies	400	422	(22)	(5)
Current Investments	-	-	-	-
Less : Prov for diminution in value of investments	(12)	-	-	-
Total Investment	**4,614**	**4,902**	**(288)**	**(6)**

Decrease in Trade investments is due to redemption of Preference Shares held in Subsidiary Company.

9. **Inventories:**

(₹ in crores)

	FY 12	FY 11	Change	% Change
Inventories	1,253	696	557	80

The inventories as on 31st March, 2012 were higher than the level of 31st March, 2011 by ₹ 557 crore primarily due to increase in the stock of Traded goods and also increase in raw materials at Mithapur works.

10. **Trade Receivable**

(₹ in crores)

	FY 12	FY 11	Change	% Change
Trade receivable	1,510	744	766	103
Less : Provision for doubtful debts	24	20	4	20
Net Trade Receivable	**1,486**	**724**	**762**	**105**

The debtors as on 31st March, 2012 were higher by ₹ 762 crores than level of 31st March, 2011. The increase is in line with the increase in turnover.

11. **Loans and Advances**

(₹ in crores)

	FY 12	FY 11	Change	% Change
Long-term Loans and Advances	170	189	(19)	(10)
Short-term Loans and Advances	254	219	35	16
Loan and Advances	**424**	**408**	**16**	**4**

Short term loans and advances increased during FY 12 mainly due to increase in advance taxes and long term loans and advances decreased during FY 12 mainly due to reduction in capital advance.

Tata Chemicals Limited

12. Cash Flow and Net Debt:

Net Cash flow from operating activities: The net cash from operating activities was ₹ 341 crores during FY 12 as compared to ₹ 424 crores during FY 11. The cash operating profit before working capital changes and direct taxes during FY 12 was ₹ 1,091 crores as compared to ₹ 916 crores during FY 11. The change in working capital, during the financial year, was mainly due to increase in inventory, trade and other receivables and decrease in trade payables, other liabilities and provisions.

Net Cash flow from investing activities: The net cash inflow from investing activities amounted to ₹ 89 crores in FY 12 as against an outflow of ₹ 244 crores in FY 11. The inflow broadly represents processed investment in subsidiaries and dividend partly offset by outflow on account of acquisition of fixed assets.

Net Cash flow from financing activities: The net cash outflow from financing activities was ₹ 337 crores during FY 12 as compared to outflow of ₹ 93 crores during FY 11.

(₹ in crores)

	FY 12	FY 11	Change	% Change
Long-term Borrowings	2,203	2,586	(383)	(15)
Short-term Borrowings	257	123	134	109
Long term Borrowing payable within one year	908	267	641	240
Total Debt	**3,368**	**2,976**	**392**	**13**
Less : Cash and Bank balances	892	799	93	12
Less : Current investments	-	-	-	-
Net Debt	**2,476**	**2,177**	**299**	**14**

Financial Analysis of Tata Chemicals Group (Consolidated) – Year Ended 31st March, 2012

Profit & Loss Analysis

1. <u>Net Revenue from Operations:</u>

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	7,987	6,333	1,654	26
Tata Chemicals Europe and Tata Chemicals Africa	2,088	1,682	406	24
Tata Chemicals North America Inc.	2,307	1,818	489	27
Indo Maroc Phosphore S.A., Morocco	576	442	134	30
Rallis India Limited	1,281	1,092	189	17
Others and Eliminations	(433)	(306)	(127)	42
Total	**13,806**	**11,061**	**2,745**	**25**

Comments:

Net revenue from operations increased by 25% during FY 12 primarily due to:

a. Inorganic Chemicals: Higher realisation across the continents, higher volumes [India (Salt and Soda Ash)] and appreciating USD and GBP rates (average rate) offset by lower volumes (Europe). British Salt Limited, which became the subsidiary during the fourth quarter of the previous year, contributed incremental ₹ 250 crores towards increase in net sales.

b. Fertilisers: Higher realisation (DAP, NPK, Urea and traded business viz. imported DAP and imported MOP) and higher volumes (DAP and traded imported DAP)

c. Rallis India Limited: Due to higher volumes and higher realisation in exports and Metahelix which became the subsidiary during fourth quarter of the previous year contributed incremental ₹ 66 crores.

2. Cost of Material Consumed:

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	2,865	2,199	666	30
Tata Chemicals Europe and Tata Chemicals Africa	296	217	79	36
Indo Maroc Phosphore S.A., Morocco	397	305	92	30
Rallis India Limited	623	544	79	15
Others and Eliminations	(337)	(215)	(122)	57
Total	**3,844**	**3,050**	**794**	**26**

Comments:

Raw material consumed increased by 26% as compared to the previous year due to:

a. Inorganic Chemicals: Increase in prices of raw materials (mainly coal) across continents, higher production volumes {Europe, Africa (PAM) and India (salt)}, appreciating exchange rates marginally offset by lower production volumes {Africa (SAM) and North America).

b. Fertilisers: Increase in the prices of raw materials (mainly phosphoric acid, ammonia and gases).

c. Rallis India Limited – Increase in production volumes and prices. Metahelix which became the subsidiary during fourth quarter of the previous year contributed incremental ₹ 33 crores.

3. Purchase of Stock-in-trade:

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	2,168	1,309	859	66
Tata Chemicals Europe and Tata Chemicals Africa	124	135	(11)	(8)
Rallis India Limited	87	90	(3)	(3)
Others and Eliminations	(79)	(85)	6	(7)
Total	**2,300**	**1,449**	**851**	**59**

Comments:

The cost of traded goods purchased has increased by 59% mainly on account of significant increase in price and volume in trading products viz. imported DAP and Imported MOP.

4. Employee Benefit Expenses:

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	240	207	33	16
Tata Chemicals Europe and Tata Chemicals Africa	264	210	54	26
Tata Chemicals North America Inc.	356	314	42	13
Indo Maroc Phosphore S.A., Morocco	18	13	5	38
Rallis India Limited	90	73	17	23
Others and Eliminations	3	3	-	-
Total	**971**	**820**	**151**	**18**

Comments:

The staff cost increased by 18% mainly due to revision in wages in India, Europe, Africa and US and appreciating USD and GBP exchange rates (average rate). British Salt Limited and Metahelix, which became the subsidiary during the fourth quarter of the financial year 2010-11, contributed ₹ 30 crores and ₹ 10 crores, respectively, towards an increase in staff cost.

Tata Chemicals Limited

5. **Power and Fuel:**

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	685	570	115	20
Tata Chemicals Europe and Tata Chemicals Africa	479	387	92	24
Tata Chemicals North America Inc.	222	181	41	23
Indo Maroc Phosphore S.A., Morocco	10	9	1	11
Rallis India Limited	43	31	12	39
Total	**1,439**	**1,178**	**261**	**22**

Comments:

Power and Fuel charges have increased by 22% compared to the previous year due to:

a. Inorganic Chemicals: Increase in input cost (Coal) and higher consumption (Pet Coke), along with appreciating USD and GBP rates (average rate). British Salt Limited, which became the subsidiary during the fourth quarter of FY 10-11, contributed ₹ 44 crores towards increase in power cost.

b. Fertilisers: Higher input cost (APM and LNG) and higher cost on account of change in input mix i.e. increase in usage of LNG as compared to NG.

6. **Other Manufacturing Expenses:**

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	978	1,154	(176)	(15)
Tata Chemicals Europe and Tata Chemicals Africa	535	542	(7)	(1)
Tata Chemicals North America Inc.	1,141	786	355	45
Indo Maroc Phosphore S.A., Morocco	81	63	18	29
Rallis India Limited	228	152	76	50
Others and Eliminations	(14)	3	(17)	(567)
Total	**2,949**	**2,700**	**249**	**9**

Other Manufacturing expenses represent the following:

(₹ in crores)

Particulars	FY 12	FY 11	Change	% Change
Stores and spare parts consumed	194	157	37	24
Packing materials consumed	311	263	48	18
Repairs	312	253	59	23
Rent	141	116	25	22
Royalty, Rates and Taxes	151	122	29	24
Commission, discounts and distributors' service charges	175	112	63	56
Sales promotion expenses	132	116	16	14
Freight and forwarding charges	1,368	1,131	237	21
Changes in inventories of work-in-progress, finished goods and stock-in-trade	(491)	(47)	(444)	945
Others(*)	656	477	179	38
Total	**2,949**	**2,700**	**249**	**9**

(*) - Others include insurance charges, lease rents, professional fees, hedging cost, travelling expenses, loss on sale of assets sold or discarded (net), provision for doubtful debts and advances, provision for diminution in value of current investments, directors fees/commission, expenditure transferred to capital account and other expenses.

The other manufacturing expenses during FY 12 have increased by 9% compared to FY 11 due to:

a. Higher packing and stores expenses (due to higher volumes of most products), sales promotion expenses (including advertising), repairs (higher maintenance expenses at Europe and US), rates and taxes (on account of higher volumes), distributors' commission (due to higher customer discounts in case of Agri business), freight and forwarding expenses (due to higher volumes and higher freight charges), hedging cost, professional fees, IT expenses, appreciating exchange rates and other expenses.

b. Movement in Inventory change (WIP and finished goods) in the current year was primarily on account of increased stock levels in case of Indian operations (mainly traded and manufactured fertilisers stocks) in the Current Year as compared to the Previous Year.

c. British Salt Limited and Metahelix, which became the subsidiary during fourth quarter of FY 10-11, contributed ₹ 28 crores and ₹ 23 crores respectively, towards increase in other manufacturing expenses.

7. Finance Costs:

(₹ in crores)

Entity	FY 12	FY 11	Change	% Change
Tata Chemicals Limited	210	201	9	4
Tata Chemicals Europe and Tata Chemicals Africa	133	87	46	53
Tata Chemicals North America Inc.	82	70	12	17
Indo Maroc Phosphore S.A., Morocco	-	2	(2)	(100)
Rallis India Limited	14	7	7	100
Others and Eliminations	(12)	(16)	4	(25)
Total	**427**	**351**	**76**	**22**

Comments:

The increase in borrowing costs is mainly due to:

- Borrowings on account of British Salt Limited's acquisition in the fourth quarter of FY 10-11
- Borrowings on account of Metahelix acquisition in the fourth quarter of FY 10-11.
- Appreciation in USD and GBP rates partly offset by repayment of unsecured Loans ₹ 150 crores and FCNRB US$ 25 Million;
- Higher interest on suppliers' credit.

8. Exceptional Items:

a. Voluntary Retirement Scheme (VRS) cost of ₹ 17.19 crores relating to cessation of Turbhe (Mumbai) manufacturing operations of Rallis.

b. VRS at Mithapur - ₹ 2.38 cores.

c. Impairment of Assets - ₹ 48.45 crores.

d. During the year, the Company has exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items have been recognised over the shorter of the loan repayment period and 31st March, 2020. On account of this, ₹ 84.34 crores have been charged to the Profit and Loss in the current year.

e. For the year ended 31st March, 2012, the Company has not recognised subsidy income of ₹ 44.91 crores on opening stock as on 1st April, 2011 of Raw Materials for Phosphatic and Potassic Fertilisers, in accordance with the Office Memorandum dated 11th July, 2011 issued by the Department of Fertilisers (DOF) which provides for the Subsidy on such Opening Stocks at old rates applicable to F.Y. 2010-11.

Based on the legal opinion made available, the said Office Memorandum is being represented against/ contested. Had the Company recognised the subsidy income from sales made from such Opening Stocks as per the prevalent Nutrient Based Subsidy (NBS) policy without giving effect to the said Office Memorandum, the Sales/Income from operations and Net Profit of the Group would have been higher by ₹ 44.91 crores and ₹ 33.64 crores respectively for the year ended 31st March, 2012.

f. Recognition of Actuarial Gains/Losses of overseas subsidiaries in Reserves w.e.f. 1st April, 2009. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the statement of Profit and Loss been followed, the consolidated Net Profit before tax and Net Profit of the Group would have been higher/(lower) by amounts as per table below:

₹ in Crores

Sr. No.	Impact on :	FY 12	FY 11
1.	Consolidated Net Profit before tax	(180.18)	22.33
2.	Consolidated Net Profit of the Group	(157.16)	3.03

INNOVATION AND TECHNOLOGY

Tata Chemicals Innovation Centre

The Tata Chemicals Innovation Centre (TC-IC) is located in Pune and has in its fold, 41 scientists with an exciting spectrum of expertise including nanotechnology and materials science, biotechnology, inorganic chemistry and molecular biology along with catalysis and bioengineering. To support the Research and Development (R&D) activities and ensure adequate traction with customers and the market, the Innovation Centre has dedicated Business Development and Intellectual Property Rights teams. Some of the projects on which TC-IC is currently working include water purification, nutraceuticals, nano materials, agri solutions, surface coatings and alternate energy/next generation biofuels/ bio-lubricants and low temperature fuel cells. The Company plans to commercialise a nutraceutical product which has been developed by the Innovation Centre by the end of FY 2012-13.

As part of focus on Innovation in the Company, a world class research center with facilities for scale-up has been designed and construction has begun in Pirangut, Pune and is expected to be operational by the end of FY 2012-13. This will enable expansion of the Innovation Centre to bring in an additional critical expertise in applications development, process engineering, etc.

Tata Chemicals Centre for Agri-Solutions and Technology

In order to provide appropriate advice to farmers on farming practices in general and crop nutrition practices and solutions in particular, a development centre viz. Centre for Agri Solutions and Technology (CAT) has been set up in Aligarh (U.P.). This Centre is staffed with experienced scientists who are working in various areas. The CAT team has developed Customised Fertiliser (CF) basal grades for wheat, rice, maize, potato and sugarcane for operational regions around Babrala and sweet sorghum for growing regions in Maharashtra state. Crop specific CF (foliar) grades were developed on R&D based field trials and were quite effective on cost-benefit basis. CAT works closely with the R&D team of TC-IC, Pune in evaluating exciting opportunities in the application of nanotechnology and biotechnology to plant nutrition. This collaboration is supported by grants from the Department of Biotechnology.

HUMAN RESOURCES

As on 31st March, 2012, the Company had 4,752 employees, 3,176 in India and 1,576 overseas. In line with the HR strategy, the Company continued the standardisation of HR systems and processes across geographies with a view to improve operational efficiencies. In order to attract and retain talent at the manufacturing sites, a number of measures have also been initiated. Employee development programs focusing on capability building like competency mapping and 360 degree feedbacks are being implemented. Role Specific Talent development initiatives have been initiated across the organisation. This has resulted in steady engagement levels and reduced attrition.

SUSTAINABILITY

Safety, Health and Environment (SHE)

Improving work place safety continued to be top priority in all operations and the total recordable injury frequency rates are maintained and match world class levels. However, at the end of the year safety received a serious setback with three fatal incidents involving fall from height in two cases and fall from tractor in the third case. Health monitoring of the Company and the contract employees, commensurate with the work environment have continued and there have been no significant observations relating to deficiencies in workplace health and hygiene conditions. The SHE performance is being reviewed at all review forums including by the Audit Committee. All sites in India are certified to OHSAS 18001 (Occupational Safety & Health Assesment System), ISO 14001 and British Safety Council (BSC) 5 Star Safety Rating. The Haldia operations received the Sword of Honour from British Safety Council. The Babrala operation is certified to Responsible Care RC 14001. The Babrala and Haldia operations are certified to BSC 5 Star Environmental Sustainability rating. The Company is a member of the American Institute of Chemical Engineers (AIChE)-Center for Chemical Process Safety (CCPS) and British Safety Council and actively engaged with National Safety Council (NSC) of India and SHE committees of Indian Chemical Council, Alkali Manufacturers Association of India (AMAI), FICCI, etc. Babrala Plant was assessed under Robert Campbell Safety Award of NSC USA.

Mithapur plant has continued the engagement with DuPont Safety to develop and refine its practices benchmarked to world class practices. The Company received recognitions from National Safety Council of India, International Fertiliser Association, Fertiliser Association of India, Indian Chemical Council and Gujarat Mines Safety for its efforts on SHE. The Process Safety Management practices based on OSHA-USA and AIChE-CCPS guidelines are being introduced with third party expert audits done at high risk chemicals handling systems at all sites.

The Company has complied with environmental consent conditions at all its locations. The Company continues to monitor “Green Manufacturing Index” on targets on energy and water consumption, waste recycle and use of renewable energy. The Company continues to be a “Responsible Care” Logo holding company granted by Indian Chemical Council (ICC) with logo recertification conducted by ICC in this year.

All operations outside India follow their local safety regulatory requirements and the reporting is integrated on common metrics. The UK operations are certified to OHSAS 18001.

Energy Conservation, Climate Change and Clean Development Mechanisms

The Company is engaged in fostering Sustainability and introducing Climate Change strategies into its operations. The Corporate Technology and Sustainability Group is building networks within the Company and outside to work on sustainable manufacturing practices and respond to the emerging expectations on Climate Change issues. The Company is a signatory to UN Global Compact and the Global Reporting Initiative (GRI), Responsible Care, CII-Mission on Sustainable Growth-Code for Ecologically Sustainable Businesses and the Global Corporate Roundtable on Climate Change at Earth Institute, Columbia University. During the year, it continued to hold the prestigious Responsible Care Logo granted by Indian Chemical Council. The Babrala plant received in the year the CII-ITC Sustainability Trophy and Mithapur got the commendation for Significant Achievement. Tata Chemicals Sustainability Report for the India operations assured to GRI G3 Protocol is posted on the website.

Manufacturing operations are working on “Green Manufacturing Index” to reduce energy consumption, minimise water consumption, reduce pollution load by adopting the concept of Reduce, Recycle and Reuse and has set targets in each aspect.

The Company is actively pursuing the Clean Development Mechanism (CDM) Process of United Nations Framework Convention on Climate Change (UNFCCC) to derive benefits from energy reduction and alternate fuel projects at its various plant locations and several projects have been identified across Mithapur, Babrala and Haldia with potential revenues for the protocol period up to 2012. Four projects are already registered and accruing benefits through sale of carbon credits.

The sustainability perspective in different regions globally is being managed as per the regional mandates like the EU Emission Trading System (ETS) in Europe and Environment Protection Agency (EPA) legislative actions in US and strategic plans are being worked out. Tata Chemicals Europe Limited is pursuing the new Sustainable Energy Plant on the plant site in Lostock. This will reduce reliance on expensive, high carbon fossil fuels by building a highly efficient sustainable energy plant that will produce around a third of the heat energy needs from sustainable fuel

Tata Chemicals Limited

- a non-hazardous, solid fuel made from pre-treated waste and some plant-derived material, known as biomass. This would reduce Green House Gas (GHG) emissions, by preventing methane release from landfills and reducing the need to burn fossil fuels.

The Company is included in the prestigious Standard and Poor's (S&P) Environment, Social and Corporate Governing (ESG) 50 India Index. The S & P ESG India Index provides investors with an exposure to a liquid and tradable index of 50 of the best performing stocks in the Indian Market as measured by environmental, social and governance parameters. The Company is ranked 5th in the list of top ten Corporate recognised on Carbon Disclosure Leadership Index (CDLI) in India, in the Carbon Disclosure Project 2011 India 200 Report.

Community Engagement and Environment Management

The Company strongly believes that organisations and businesses can play a significant role in creating a sustainable and inclusive future with its stakeholders. It believes in a cohesive, inclusive and integrated society in which all individuals have access to opportunities for personal growth and inclusive economic growth. For several decades, the Company has consistently demonstrated its concern for the community (both internal and external) and a respect for its environment and the local ecology. It has been associated with a scalable, sustainable and integrated development of communities in and around its locations at Mithapur in Gujarat; Babrala in UP and Haldia in West Bengal. Sustainability concerns are an integral part of the Company's value system. Over the years, the Company has embedded these values into its operations in a variety of ways, such as promoting and establishing the Tata Chemicals Society for Rural Development (TCSRD), undertaking and establishing programs and processes for greening and conservation and promotion of volunteerism within the organisation. An integrated approach is adopted towards development, wherein, creating social capital within the communities that it serves is given prime importance. People participation is vital to the success of the programs and it forms the basis of all the project design. TCSRD, through its focused initiatives and participatory approach ensures that the community members become the real managers and owners and work towards their own development and that of the society at large. It also ensures establishment and participation of Community Based Organisation (CBOs) in almost all its programs.

Taking into account the different geographical spread of the three regions and their subcultures, various community development initiatives have been undertaken to achieve sustained development. The Company's development initiatives are divided into four inter-related components, namely: Natural Resource Management which encompasses integrated water management program, agriculture development program, pond management and animal husbandry program. Environment conservation and care program encompassing rural energy and bio diversity reserve plantation project, Income Generating program focuses on micro-enterprise development, aimed at building capacities through extensive training, helping identify enterprise opportunities and supporting these activities through micro-finance and marketing. The main vehicles driving this component are the formulation of Self-Help Groups (SHGs) in villages, the Rural Entrepreneurship Development Program, skill building through vocational training program, Uday Foundation and Development of Handicrafts and lastly Health, Education and Infrastructure support program, where TCSRD acts as a facilitator for improving primary health services, women and children health and proactively support infrastructure development projects, drought relief program etc.

Integrated water management program is one of the most important programs of TCSRD as non-availability of quality water is one of the biggest concerns of the drought prone Mithapur region. TCSRD developed complete watershed of the area using various initiatives that target treatment from ridge to valley of the watershed. 235 medium water harvesting structures like check dams have been built for better percolation and water harvesting. 2,165 small water harvesting structures like farm ponds, farm bunds has been deepened and salinity pushed back by increasing the underground water buffer. Techniques like drip irrigation, sprinklers have helped to conserve water. Cultivation of crop which is less water intensive has been encouraged. 1,702 roof rain water harvesting structures have made potable water available to villagers through the year.

TCSRD through its watershed management program has been able to create 249 million cubic foot capacity of water thereby bringing in 6,420 acres of land under irrigation and improved agriculture initiatives. As a result, it has been able to improve the production by 40% leading to ₹ 240 -270 lakhs of direct economic gain per year.

TCSRD has motivated 270 farmers to adopt new water saving technology (drip and sprinkler) under its water conservation initiative. The farmers are using the water saving technology in 1,345 acres of land, resulting in water saving by 32-50% and increase in area under irrigation.

Land reclamation program has been successfully carried out at Babrala in 10 villages as some of the pockets in the region had 'USAR' land which was severely saline. TCSRD, through the land reclamation process, has reclaimed more than 1,500 acres of land. Under the agriculture growth program, Babrala has followed three pronged strategy- crop diversification, building capacity of farmers and promotion of new modern agricultural systems and technologies. Experts from TCSRD visit the fields regularly and offer advice and solutions to the agricultural problems. This program has helped farmers get better returns for their efforts.

Animal Husbandry is another important program of TCSRD. Agriculture is the predominant occupation followed by cattle rearing. It has been given special importance as it provides an alternate source of income for farmers of Mithapur and Babrala. Almost all households in these regions have at least a pair of cattle. TCSRD supports the farmers by providing animal health check up at the door step and also at the animal health clinic which has been opened at Babrala to provide care and treatment to animals. Breed improvement, cattle insurance, green fodder demonstrations are the other services being provided under this program.

Seeing the importance of ponds to the Bengali families staying near the ponds, TCSRD started pond management program in areas adjoining TCL's operation at Haldia. It started training the people in scientific methods of pond management. This method helped around 1,800 women increase their family income as they use ponds for personal as well as for commercial use.

TCSRD has always believed in strengthening the community it operates in. Enterprise among youth and channeling idle savings into growth projects was perceived to be a key towards making self-reliant communities. This program was initiated in 2003 as a strategic step for training in livelihood generation and to counter the possible fallout of downsizing. The program has found wide acceptance in community. Besides helping individual entrepreneurs to either set up new enterprises or to improve existing businesses, the program has also spurred the self help group members into utilising their idle savings for investing in an enterprise. This program has helped increase individual saving leading to financial security. Collaboration with local training Non-Government Organisations and the Government Organisations like Dalit Shakti Kendra, NABARD, Gram Technology has further strengthened this program.105 training programs have been conducted across locations covering 62 villages wherein around 521 people have undergone this training program. 85 people have set up their own enterprise.

Self-help groups formed by TCSRD at Mithapur and Babrala are making a difference in the lives of women. It has helped them overcome the shackle of poverty and dependence. The simple procedure of lending has made it popular among the women. Now they do not have to pay high rates of interest to money lenders. 415 self help groups have been formed so far with close to 100% recovery rate for loans. Regular training in team dynamics, leadership quality development, micro finance and economic activities are provided so that they are able to take decisions on their own and develop confidence to take charge of SHG activities independently.

TCSRD has played a significant role in improving the lives of the rural poor through its livelihood development program. Skill building initiative through vocational training has helped them look beyond agriculture for gainful employment. The program covers employable trades such as welding, turning, fitting, computer hardware, housekeeping, masonry, carpentry, mobile repairing, household electrical work and beauty management. 3,500 people have been trained through this program. Uday Foundation is one more initiative under this banner. In partnership with Tata Business Service Solutions, Uday Foundation- a rural BPO has been set up to bridge the gap between the rural and urban digital divide. It employs 135 educated youth. "Ohkai" a well known brand for handicraft and garments made by communities' around Mithapur and Babrala has employed 317 rural women. It aims to promote rural handicraft produce and help brand and market the same.

TCSRD has been involved in various environment conservation activities, some of them in partnership with institutions of excellence. "Dharti Ko Arpan" program under the umbrella of sustainability aims at restoration and conservation of coastal ecosystems as also for the protection of some endangered species like the whale shark. The coral reef conservation, mangroves plantation, biodiversity reserve plantation project, eco clubs to create awareness among the community members about the importance of nature conservation are some of the initiatives undertaken under this program. 275 whale sharks have been saved and mangroves plantation has been done on 102 acres of land so far. 3,535 community members including students from 25 schools have been made aware about environment conservation and its importance through various activities being held by the eco club.

Promotion of alternate source of energy is one of the thrust areas of TCSRD. 31 solar street lights were installed at public places. 85 solar lanterns were distributed in Babrala. Energy efficient chulhas (cook stoves) are being promoted across locations. The community willingly accepted these chulhas. More than 200 chulhas have been installed at Mithapur and Haldia. The biogas plant has also been constructed to generate energy by making proper use of cow dung. The gas is being used for cooking food. Around 8 of them have been constructed at the sites.

Education and health continues to be an integral part of the overall strategy. TCSRD has initiated host of healthcare initiatives across its three locations. Mobile health clinic and a health clinic ensure that rural population has access to efficient health management via competent clinical care and generic medicines. From time to time, it keeps organising health awareness camps, eye camps and blood donation drives. In addition, HIV/AIDS awareness programs have been initiated to give the right information about the disease and ensure preventive care. The results have been encouraging.

Since education holds the key to progress, TCSRD has made concentrated efforts to improve the quality of education, both through formal as well as informal means. TCSRD spearheaded several education programs like scholarship program to meritorious children, teachers training program, girl education program through SNDT university distance learning course, formation of balwadi, promoting enrollment and book bank, tuitions for children and adult education classes for women. 186 students have been given scholarships and more than 1,300 women are being made literate through the adult education program.

Society empowers villages by providing proper infrastructure for schools, sanitation and water supply. By constructing brick paved tracks, panchyat ghar, primary health centers, approach road, low cost houses, aanganwadi building, community cattle shed, TCSRD has contributed towards the overall development of the community. 2,273 households have been provided with safe drinking water by constructing the water pipeline system. Sanitation and personnel hygiene has been given equal importance. 921 individual household sanitation blocks have been constructed in selected villages of Mithapur and Babrala. These projects not only help in improving the standard of living but also help TCSRD in establishing relationships with the rural communities for undertaking community development work.

By building the capacities and creating awareness, TCSRD has been able to provide the right kind of guidance and facilitation, villagers are not only willing but also capable of undertaking productive developmental work in their villages. This was most evident in villages covered under the integrated watershed Development Program where the farmers were willing to invest as much as ₹ 20,000 in pipelines, pump sets, etc. in order to draw water for irrigation from the dam to their fields.

The objective of social responsibility is equally well-entrenched in the minds of its employees who play an active part in providing financial support and empowering rural communities to chart their own development. Through Harnessing Opportunities for People's Empowerment (HOPE) program, employee volunteers of the Company come together and harness their resources, time or skill towards the social cause and make a difference in their communities. HOPE has a database of volunteers across the organisation hierarchy, from senior management to contract employees. Family members of the employees of the Company also contribute their time, skill towards programs organised by TCSRD.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Company believes that good internal control is an intrinsic part of the overall governance process and freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed to ensuring an effective internal control environment that provides assurance on the efficacy of operations and security of assets. The Company has robust systems for internal audit, risk assessment and mitigation and has an independent Internal Audit Department with well established internal control and risk management processes both at business and corporate level. The Chief Audit & Risk Officer reports directly to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring total independence.

The Corporate Audit function plays a key role in providing to both the operating management and the Audit Committee of the Board an objective view and reassurance of the overall control systems and effectiveness of the risk management process across the Company and its subsidiaries. Corporate Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations.

The scope and authority of the Corporate Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audits are performed by an in-house team of multi-disciplinary professionals comprising Chartered Accountants, Engineers and Management graduates. Reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. The internal audit department which operates on a decentralised basis, continuously monitors the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. Besides, validation of IT security and Business Continuity Plan receives focused attention from the internal audit team. The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Chief Audit & Risk Officer and also review closure of all agreed actions. The Audit Committee also meets the Statutory Auditors separately to ascertain their views on the adequacy and efficacy of internal control systems. A peer review of the Internal Audit function is done once in four years to assess quality effectiveness of internal audits with reference to standards and best practices. In keeping with this, a peer review was done in the first quarter of 2011 by a leading firm and the conclusions /recommendations were shared with the Audit Committee. While the overall ratings were excellent, the Company will work towards further raising the bar.

The Company believes that every employee has a role to play in fostering an environment in which controls, assurance, accountability and ethical behavior are given high importance. To supplement the reviews carried out by the internal audit teams, the Company follows an elaborate system of Control Self Assurance (CSA) (self audit) which is carried out through the year. The CSA coverage includes all critical departments in the organisation and also important third party operations like CFA's and Salt Packing Centres. The IT enabled CSA process provides a good bottom-up approach and build up for the CEO/CFO certification as required by clause 49 of the listing agreement, besides helping in awareness creation of controls across a wide segment of TCL employees. This complements the internal audits in ensuring total universe coverage in a year. This year the Internal Audit team was honoured by the Institute of Internal Auditors (IIA) Western Region - 'Productivity Award' for continuously raising the bar in terms of efficiency and effectiveness.

Risk Management and Internal audit functions complement each other. Over the years, the Enterprise Risk Management (ERM) process has evolved into a robust exercise entailing a balanced bottom up and top down approach covering all units, functions and departments of the Company and its subsidiaries. The basic framework followed is the international standard AS/NZS 4360:1999.

The Company's risk identification and assessment process is dynamic and hence it has been able to identify, monitor and mitigate the most relevant strategic and operational risks both during periods of accelerated growth and recessionary pressures. Identified risks are used as an input whilst developing the strategy and business plans. The Company strives to identify opportunities that enhance organisational values while managing or mitigating risks that can adversely impact its future performance.

The Risk Management framework of the Company encompasses the following activities:

<u>Risk Identification:</u> A periodic assessment across the Company and the subsidiaries together with a trigger based assessment is undertaken to identify and thereafter prioritise significant risks. This assessment is based on an online risk perception survey, environment scanning and inputs from key stakeholders.

<u>Risk Measurement and control:</u> Owners are identified for all identified risks and they go on to develop and deploy mitigation strategies. Measurement indices are used to evaluate effectiveness of the mitigation plans.

<u>Risk Reporting and Review:</u> Besides detailed review by the Executive Committee, Enterprise Risks are reviewed quarterly by the Audit Committee of the Board. Risk owners present status updates on their mitigation plans on rotation basis.

Tata Chemicals Limited

The framework is benchmarked with ISO 31000 standards.

Some of the major risks and concerns identified are:

1. Financial Risks: The Company's breadth in international operations, its foreign currency borrowings and dependency on imports for phosphatic fertilisers, continue to subject the Company to risks from changes in the relative value of currencies. The elaborate Treasury Policy of the Company ensures that foreign exchange exposures are within prescribed limits and the use of foreign exchange forward contracts is resorted to judiciously. The Company has a separate Risk Management Committee which monitors and helps mitigate its currency and interest rate risks.

2. Input costs and securitisation of raw materials: The prices of raw materials for phosphatic fertilisers are subject to economic conditions and global demand-supply balances. With the change in policy to Nutrient Based Subsidy, it is imperative that imports are competitive. While the Company has entered into long term supply contracts for its key raw materials, the pricing of these are normally formula based. The Company actively monitors the environment for opportunities and maintains good supplier relationships to ensure minimal impact from commodity price fluctuations. Acquisition of British Salt Limited through Tata Chemicals Europe was a key step in securitising brine supply for the future.

3. Energy: The securitisation of right energy sources at competitive rates is critical for energy intensive operations. The Company also gives paramount importance to sustainability considerations and hence the specific energy consumptions are rigorously monitored and attempts are made to make the operations more and more energy efficient. Securing term contracts for competitive sources of energy is also on the radar.

4. People and Talent: Attracting and retaining talented employees is core to our success. The Company has over the years embarked on several "people initiatives" to enhance the environment and help employees achieve their personal and professional goals. Work life balance is consciously pursued. The Company's performance appraisal systems are well integrated with its business objectives and help bring out the best in individuals. Investments in employees through training are constantly made to ensure the Company equips its employees for challenges in their roles.

5. Safety and Environment related risks: The Company is conscious of its strong corporate reputation and the positive role it can play by focusing on social and environmental issues. Towards this, the Company has set very exacting standards in safety, ethics and environmental management. The Company continues to recognise the importance of safety and environmental issues in its operations and have established comprehensive indicators to track performance in these areas. The Company values the safety of its employees and constantly raises the bar in ensuring a safe work place.

BUSINESS EXCELLENCE

The Company believes that continuous improvement in all aspects of business is important for retaining the culture of excellence and attaining superior business results. The Company has been on the journey of excellence for several years and has adapted the TBEM (TATA Business Excellence Model) framework, which is mirrored on the Malcolm Balridge criteria. Besides continually raising the bar on performance, the Business excellence model helps align and integrate operations across the various businesses and geographies of the Company and its subsidiaries.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the agriculture, fabric wash and glass industry— global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Introduction

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The corporate governance philosophy of the Company has been further strengthened with the adoption of the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Policies. The Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

2. Board of Directors

The Board comprised of 10 Directors as at 31st March, 2012. The Managing Director and the Executive Director & Chief Financial Officer are the Whole-time Directors of the Company. The remaining are Non- Executive Directors comprising of five Independent Directors and three Non-Independent Directors who possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Companies Act, 1956 as Non-Executive Directors, none of the Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates. None of the Directors of the Company are inter-se related to each other.

The Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

Composition

The Board has a combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Ordinary Shares are listed. The composition of the Board as at 31st March, 2012 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Executive (including Managing Director)	2	20%
Independent, Non-Executive	5	50%
Non-Independent, Non-Executive (Including Chairman)	3	30%

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting on the overall performance of the Company. The Managing Director's Report is also circulated to the Board. The Board also, inter-alia, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports for all laws applicable to the Company, review of major legal issues, minutes of the Board Meetings of the Company's unlisted subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, adoption of quarterly / half-yearly / annual results, transactions pertaining to purchase / disposal of property, major accounting provisions and write-offs / write backs, corporate restructuring, Minutes of Meetings of the Audit and other Committees of the Board. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events / items and approvals are taken wherever necessary.

Meetings held

The Board met 8 (eight times) on the following dates during the financial year 2011-12.

6th April, 2011	16th December, 2011
23rd May, 2011	12th January, 2012
8th August, 2011	10th February, 2012
11th November, 2011	27th March, 2012

The gap between two Meetings did not exceed four months.

The Seventy-Second Annual General Meeting (AGM) of the Company was held on 9th August, 2011.

Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2011-12 and at the last AGM, as also the number of Directorships and Committee positions held by them in other public limited companies as at 31st March, 2012 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2011-12	Whether attended AGM held on 9th August, 2011	Number of Directorships in other public limited companies*		No. of Committee positions held in other public limited companies*	
				Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. Ratan N. Tata (Chairman)	Non-Independent, Non-Executive	5	Yes	9	1	-	-
Mr. R. Gopalakrishnan (Vice Chairman)	Non-Independent, Non-Executive	7	Yes	5	5	-	2
Mr. Nusli N. Wadia	Independent, Non-Executive	7	No	4	3	-	-
Mr. Prasad R. Menon	Non-Independent, Non-Executive	7	No	2	6	-	3
Mr. Nasser Munjee	Independent, Non-Executive	8	Yes	3	11	3	5
Dr. Yoginder K. Alagh	Independent, Non-Executive	8	Yes	-	3	-	4
Dr. M.S. Ananth (ceased to be a Director w.e.f. 11th November, 2011)	Independent, Non-Executive	2	No	-	2	-	2
Mr. E.A. Kshirsagar	Independent, Non-Executive	8	Yes	-	6	5	3
Dr. Y.S.P. Thorat	Independent, Non-Executive	7	Yes	1	6	3	-
Mr. R. Mukundan	Managing Director	8	Yes	-	4	-	-
Mr. P. K. Ghose	Executive Director and CFO	8	Yes	-	3	2	1

** Note: Excludes Directorships in Private Limited Companies, Foreign companies, companies registered under Section 25 of the Companies Act, 1956 and Government Bodies. Only Audit Committee and Shareholders'/ Investors' Grievance Committee have been considered for the committee positions.*

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, have been given along with the Notice of Annual General Meeting.

Code of Conduct

The Company has adopted the Tata Code of Conduct for all the employees of the Company including the Whole-time Directors. The Board had also approved a Code of Conduct for Non-Executive Directors. The Code of Conduct for the employees as well as Non-Executive Directors are posted on the Company's website. Further, all the Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

Shareholdings of Non-Executive Directors as at 31st March, 2012 are as under:

Name	No. of Ordinary shares held	% of Paid-up Capital
Mr. Ratan N. Tata (Chairman)	28,695	0.01%
Mr. R. Gopalakrishnan (Vice-Chairman)	15,000	0.01%

3. **Audit Committee:** The Committee comprises of Mr. Nasser Munjee, Mr. R. Gopalakrishnan, Dr. Yoginder K. Alagh and Mr. E. A. Kshirsagar. The Company Secretary is the Secretary to the Committee.

Mr. Nasser Munjee is an eminent Economist and leading banker. All members of the Committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal controls, etc. The composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

Mr. Nasser Munjee – Chairman of Audit Committee, Mr. R. Gopalakrishnan, Dr. Yoginder K. Alagh and Mr. E.A. Kshirsagar – Members of the Audit Committee were present at the last Annual General Meeting held on 9th August, 2011.

Terms of Reference

The terms of reference of this Committee are very wide. The terms of reference of the Audit Committee are, inter-alia, as under:

1. Integrity of the Company's financial statements together with any significant financial reporting judgements contained in them and adherence to Accounting Standards.
2. Company's financial reporting process.
3. Company's compliance with the legal and regulatory requirements and the Tata Code of Conduct (TCoC).
4. External Auditors qualification and independence.
5. Performance of the Company's external auditors and the Internal Audit function.
6. Adequacy of the Enterprise Risk Management Process.
7. Adequacy and reliability of the internal control system.

Generally all items listed in Clause 49 II (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II (C).

The Managing Director, Executive Director & CFO, External Auditors, Head - Internal Audit and Risk Management and Controller attend and participate at all the meetings of the Committee. The Committee from time to time also invites such of the executives, as it considers appropriate, to be present at the meetings.

During the year, the Committee reviewed key audit findings covering operational, financial and compliance areas and the risk mitigation plans were presented to the Committee. The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.

Meetings held:

During the financial year 2011-12, 7 (Seven) Audit Committee meetings were held on the following dates:

20th May, 2011
5th August, 2011
28th September, 2011
9th November, 2011
14th December, 2011
8th February, 2012
29th March, 2012

Composition and Attendance:

Name of Director	No. of meetings attended
Mr. Nasser Munjee - Chairman	**7**
Mr. R. Gopalakrishnan	**5***
Dr. Yoginder K. Alagh	**7**
Mr. E. A. Kshirsagar	**6**

The gap between two Meetings did not exceed four months.

** In addition to attending five meetings, Mr. R. Gopalakrishnan attended one meeting through videoconference.*

4. Remuneration Committee and Policy

The role of the Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director and the Executive Director & CFO and retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board. During the course of its review, the Committee also decides on the commission of the Directors and/or other incentives payable, taking into account the individual's performance as well as that of the Company.

The Remuneration Committee comprises of two Independent Directors (including the Chairman of the Committee) and two Non-Executive Directors.

Meetings held:

During the financial year 2011-12, 1 (one) Remuneration Committee meeting was held on 23rd May, 2011.

Composition and Attendance:

Name of Director	No. of meetings attended
Mr. Nusli N. Wadia - Chairman	1
Mr. Ratan N. Tata	1
Mr. R. Gopalakrishnan	1
Mr. Nasser Munjee	1

Remuneration Policy:

Managing Director and Executive Directors:

a. While deciding on the remuneration of the Managing / Executive Directors, the Board and the Remuneration Committee ("Committee") considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Board / Committee regularly keep track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review remuneration policies.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing/ Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1 every year.

Non-Executive Directors:

b. Non-Executive Directors are paid sitting fees of ₹ 20,000 for every Meeting of the Board or the Committee attended (except for Shareholders' / Investors' Grievance Committee, Ethics and Compliance Committee and Nomination Committee where the sitting fee is ₹ 5,000 per meeting)

c. The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board / Committee meetings and the time spent on matters other than at meetings. In terms of the approval of the members at the 69th Annual General Meeting of the Company held on 4th August, 2008, commission is paid at a rate not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

Retirement Policy for Directors:

a. The Company has adopted the guidelines for retirement age wherein the Managing and the Executive Directors retire at the age of 65 years. The Company has also adopted the retirement policy for the Managing and Executive Directors which has also been approved by the Members of the Company, offering special retirement benefits including pension, ex gratia, medical and other benefits. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring Director and is payable at the discretion of the Board in each individual case.

b. Further, as per the above guidelines, all Non-Executive Directors retire at the age of 75 years.

Details of remuneration paid to the Managing Director and the Executive Directors during the financial year 2011-12.

Director	Salary (₹)	Perquisites and Allowance # (₹)	Commission (for the financial year 2010-11) paid in 2011-12 (₹)
Mr. R. Mukundan – Managing Director	54,00,000	79,91,110	1,65,00,000
Mr. P.K. Ghose – Executive Director & CFO	40,80,000	44,35,067	1,10,00,000
Mr. Kapil Mehan – Former Executive Director *(resigned w.e.f. 31st August , 2010)*	-	-	75,00,000

Non-Executive Directors:

Director	Sitting Fees	Commission (for the financial year 2010-11) paid in 2011-12 (₹)
Mr. Ratan N. Tata	1,60,000	48,50,000
Mr. R. Gopalakrishnan	3,00,000	49,00,000
Mr. Nusli N. Wadia	1,80,000	5,80,000
Mr. Prasad R. Menon	1,80,000	22,40,000
Mr. Nasser Munjee	3,20,000	37,80,000
Dr. Yoginder K. Alagh	3,60,000	39,80,000
Dr. M. S. Ananth (Ceased to be a Director w.e.f. 11th November, 2011)	40,000	4,20,000
Mr. E.A. Kshirsagar	2,80,000	34,00,000
Dr. Y.S.P. Thorat	1,40,000	8,50,000

Commission payable to the Directors for the financial year 2011-12

Non Executive Directors : ₹ 250 lacs
Mr. R. Mukundan : ₹ 200 lacs
Mr. P.K. Ghose : ₹ 135 lacs

Tata Chemicals Limited

Service Contracts, Severance Fees and Notice Period

Terms of Agreement	**Mr. R. Mukundan**	**Mr. P. K. Ghose**
Period of Contract	5 years upto 25th November, 2013	5 years upto 25th November, 2013
Severance fees / notice period	The Contract may be terminated by either party giving the other party Six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance fees.	The Contract may be terminated by either party giving the other party Six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance fees.

5. Shareholders' / Investors' Grievance Committee

During the financial year 2011-12, 3 (three) meetings were held on 13th July, 2011, 9th November, 2011 and 8th February, 2012.

Composition and Attendance:

Name of Director	**No. of meetings attended**
Dr. Yoginder K. Alagh - Chairman	3
Mr. R. Mukundan	3

Terms of Reference:

- To look into redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, annual report, etc.

Based on the report received from the Company's Registrars, the number of Complaints received from shareholders comprises of correspondence identified as complaints i.e. letter received through statutory / regulatory bodies and letter pertaining to fraudulent encashment.

Status of Investor Complaints as at 31st March, 2012 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as at 1st April, 2011	:	0
Received during the year	:	24
Resolved during the year	:	22
Pending as at 31st March, 2012	:	2

Name, Designation and address of Compliance Officer

Mr. Rajiv Chandan
General Counsel & Company Secretary
Tata Chemicals Limited
Bombay House, 24 Homi Mody Street
Fort, Mumbai 400 001
investor_relations@tatachemicals.com

On the recommendations of the Committee, the Company has taken various investor friendly initiatives like sending reminders to investors who have not claimed their dividends, sending reminders to encourage dematerialisation of shares, etc.

6. **Executive Committee of the Board**

Terms of Reference:

To periodically review the ongoing capital expenditure and the investments made by the Company.

To examine new proposals for investments from the stand point of their business and financial impact.

To formulate the future strategic direction and business development of the Company.

In addition to the above terms of reference for this Committee, the Committee is expected to review the following items before they are presented to the Board:

The Business and Strategy of the Company.

Long term financial projections and cash flows.

Capital and Revenue Budgets and Capital Expenditure programmes.

Acquisitions, divestments and business restructuring proposals.

Senior management succession planning.

Any other item as may be decided by the Board.

Meetings held:

During the financial year 2011-12, 2 (Two) Executive Committee of the Board meetings were held on 13th July, 2011 and 16th March, 2012.

Composition and Attendance:

Name of Director	No. of meetings attended
Mr. Ratan N. Tata - Chairman	2
Mr. R. Gopalakrishnan	2
Mr. Nusli N. Wadia	1
Mr. Prasad R. Menon	2
Dr. Yoginder K. Alagh	2
Mr. R. Mukundan	2
Mr. P.K. Ghose	2

7. **Nomination Committee**

The Committee (Non-mandatory) was constituted on 27th May, 2008. The Nomination Committee comprises of Dr. Yoginder K. Alagh (Chairman), Mr. Ratan N. Tata and Mr. R. Gopalakrishnan as Members.

Terms of Reference:

To make recommendations to the Board regarding the composition of the Board.

To identify Independent Directors to be inducted to the Board from time to time.

To take steps to refresh the composition of the Board from time to time.

8. **Ethics and Compliance Committee**

This Committee (Non-mandatory) was constituted on 29th October, 2009.

Terms of Reference:

To set forth policies relating to and oversee the implementation of the Insider Code.

To take on record status reports prepared by the Compliance Officer detailing the dealings in Securities by the Specified Persons and their dependants on a monthly basis.

To decide penal action in respect of violation of the Regulations / the Code by any Specified Person.

Meetings held:

During the financial year 2011-12, 1 (one) Ethics and Compliance Committee meeting was held on 8th February, 2012.

Composition and Attendance:

Name of Director	No. of meetings attended
Dr. Yoginder K. Alagh - Chairman	1
Mr. R. Mukundan	1

Tata Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

9. Safety Health Environment and Sustainability Committee

The Safety Health Environment and Sustainability (SHES) Committee of the Board (Non-mandatory) was constituted on 27th March, 2012 to oversee the policies and their implementation across Tata Chemicals group. The main purpose of the Committee would be, inter alia, to :

Review and monitor the sustainability, environmental, safety and health policies and activities across the Tata Chemicals group;

Provide guidance to management to ensure that all long term strategic proposals made to the Board include SHES implications;

Investigate or cause to be investigated, any extraordinary negative sustainability, environment, health and safety performance or issues of asset integrity which can impact safety, health, environment and sustainability where appropriate.

The Committee comprises of Mr. Prasad R. Menon (Chairman), Mr. Nasser Munjee, Dr. Y.S.P. Thorat and Mr. R. Mukundan as Members.

The Company Secretary acts as the Secretary of the Safety Health Environment and Sustainability Committee. The Managing Directors of the overseas operating companies shall be permanent invitees to the meetings of the Committee.

10. Risk Management

The Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Chapter of this Annual Report. The Company has established procedures to periodically place before the Audit Committee and the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

11. Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any "material non-listed Indian subsidiary" during the year under review. The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of the Board Meetings of the Subsidiaries of the Company are placed before the Board of the Company for its review.

12. **Details on General Body Meetings:**

Location, date and time of General Meetings held during the last 3 years:

Annual General Meeting (AGM):

Year	Location	Date	Day	Time
2008-09	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	30th July, 2009	Thursday	3.00 p.m.
2009-10	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	9th August, 2010	Monday	3.00 p.m.
2010-11	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	9th August, 2011	Tuesday	3.00 p.m.

Special resolutions passed at the last 3 AGMs:

1. At the AGM held on 30th July, 2009 – A Special Resolution was passed for approving the amendment to Common Seal provision in the Articles of Association of the Company.
2. **Postal Ballot:**

During the year under review, no resolution was put through by Postal Ballot.

13. **Disclosures**

Accounting Treatment in preparation of Financial Statements

The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

Related Party Transactions

During the financial year 2011-12, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

CEO/CFO Certification

The Managing Director (CEO) and the Executive Director & Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2012.

Whistle Blower Policy

The Company has adopted a Whistle Blower policy to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Non-Mandatory Requirements:

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

The status of compliance with Non-mandatory requirement is as under:

Chairman of the Board – Being the Group Chairman, the Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office.

The Company has adopted the guidelines for the composition of the Board of Directors, which provide for the tenure and retirement age for the Non-Executive Directors.

The Company has setup a Remuneration Committee pursuant to Clause 49 of the Listing Agreement. The broad terms of reference of the Committee are to appraise the performance of the Managing / Executive Directors, determine and recommend to the Board, compensation payable to the Managing / Executive Directors.

The Company has also set up an Executive Committee of the Board, Nomination Committee, Ethics and Compliance Committee and Safety Health Environment and Sustainability Committee. The details of these Committees are given above.

During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

The Company has adopted a Whistle Blower policy as mentioned above.

14. Means of Communication:

The quarterly results were published on the next day of the meeting for that quarter i.e. for quarter and year ended 31st March, 2011 the results were published on 24th May, 2011, for first quarter ended 30th June, 2011 the results were published on 9th August, 2011, for second quarter ended 30th September, 2011 the results were published on 12th November, 2011 and for the third quarter ended 31st December, 2011 the results were published on 11th February, 2012.

The quarterly results are published in the following newspapers.

Indian Express (English)

Business Standard (English)

Business Line (English)

Loksatta (Marathi)

Free Press Journal (English)

The financial results are displayed on www.tatachemicals.com.

Management Discussion and Analysis forms part of the Annual Report.

The official news releases, presentation made to the Shareholders at the Annual General Meeting and the presentation made to analysts are posted on the Company's website *under "investor relations".*

Company's Corporate Website –

The Company's website is a comprehensive reference on Tata Chemicals' management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on 'Investors' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents, etc. The section on 'Media' includes all major press reports and releases, awards, campaigns, etc.

15. General Shareholder Information

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24239MH1939PLC002893.

Annual General Meeting

Date and Time	:	22nd August, 2012 at 3.00 p.m.
Venue	:	Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai - 400 020.
Financial year	:	April to March
Book Closure Date	:	10th August, 2012 to 22nd August, 2012 (both days inclusive for the purpose of AGM and Dividend)
Dividend payment date	:	Between 23rd August, 2012 and 27th August, 2012
Listing on Stock Exchanges	:	The Company's Ordinary Shares are listed on the following Stock Exchanges:

(1) The Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

(2) The National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.

The Company has paid the Annual Listing fees for the financial year 2011-12.

Stock Code:

BSE (Physical Segment)	TATACHM770
BSE (Demat Segment)	500770
NSE	TATACHEM EQ
International Securities Identification Number (ISIN)	INE092A01019

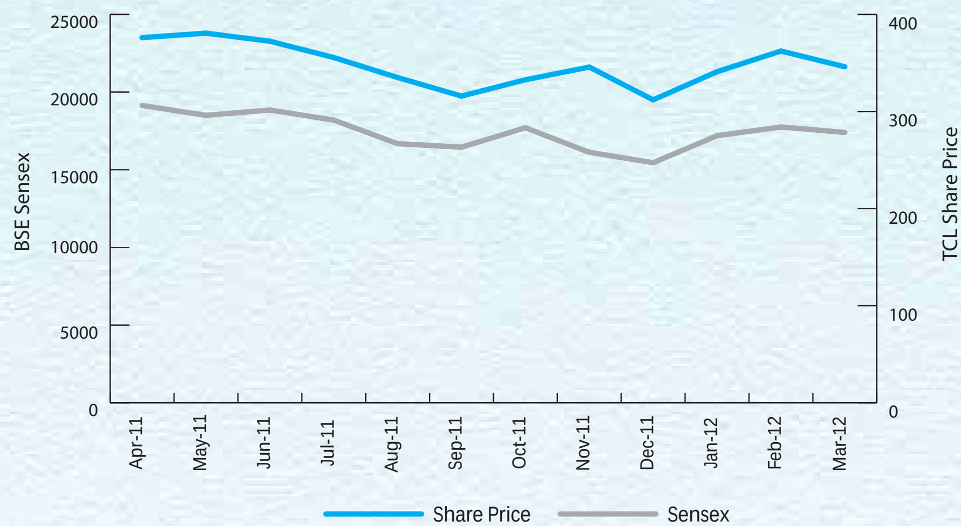
Market Price Data:

Market price data - monthly high/low of the closing price and trading volumes on BSE/NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder.

	BSE (in ₹)		NSE (in ₹)	
	High	**Low**	**High**	**Low**
Apr-2011	392.00	339.00	394.00	340.35
May-2011	382.00	343.50	385.00	343.45
Jun-2011	384.25	345.20	385.75	345.05
Jul-2011	389.60	303.00	389.70	353.05
Aug-2011	366.75	328.25	367.07	328.00
Sep-2011	342.60	312.60	342.30	313.00
Oct-2011	340.55	287.80	341.00	287.00
Nov-2011	357.50	320.00	359.90	318.40
Dec-2011	359.90	302.85	360.35	301.50
Jan-2012	342.60	295.00	344.70	307.35
Feb-2012	374.50	336.25	374.70	333.95
Mar-2012	366.40	335.55	367.00	335.10

Tata Chemicals Limited

Graphical Representation of Performance of Tata Chemicals Limited's Share Price in comparison with BSE Sensex.



Registrar and Transfer Agents:-

Members are requested to correspond with the Company's Registrar & Transfer Agents - TSR Darashaw Limited (formerly Tata Share Registry Limited) quoting their folio no. / DP ID and Client ID at the following addresses :-

(i) For transfer lodgement, delivery and correspondence:

TSR Darashaw Limited
Unit: **Tata Chemicals Limited**
6-10 Haji Moosa Patrawala Industrial Estate
20 Dr. E Moses Road, Near Famous Studio
Mahalaxmi Mumbai – 400 011.

Tel: 022-6656 8484
Fax: 022- 6656 8494
e-mail : csg-unit@tsrdarashaw.com
website : www.tsrdarashaw.com

(ii) For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited:-

1 **TSR Darashaw Limited**
503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road
Bangalore - 560 001
Tel : 080– 25320321
Fax : 080-25580019
E-mail : tsrdlbang@tsrdarashaw.com

2 **TSR Darashaw Limited**
Bungalow No.1, "E" Road
Northern Town, Bistupur
Jamshedpur – 831 001
Tel: 0657 – 2426616
Fax: 0657 – 2426937
E-mail : tsrdljsr@tsrdarashaw.com

3 **TSR Darashaw Limited**
Tata Centre, 1st Floor
43, Jawaharlal Nehru Road
Kolkata – 700 071
Tel : 033 – 22883087
Fax : 033 – 22883062
E-mail : tsrdlcal@tsrdarashaw.com

4 **TSR Darashaw Limited**
Plot No.2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel : 011 – 23271805
Fax : 011 – 23271802
E-mail : tsrdldel@tsrdarashaw.com

5	**TSR Darashaw Limited** Shah Consultancy Services Limited 3, Sumathinath Complex, Pritam Nagar Akhada Road, Ellis Bridge Ahmedabad-380 006 Telefax: 079–2657 6038 E-mail: shahconsultancy8154@gmail.com	

Share Transfer Process:

Share in physical forms are processed by the Registrar and Share Transfer Agent within 15-20 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Executive Director & Chief Financial Officer, General Counsel & Company Secretary, Deputy General Manager-Secretarial & Legal and Sr. Manager-Secretarial have been severally empowered to approve transfers.

Distribution of Shareholding as at 31st March, 2012

Sr.No.	Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1	1 to 500	2,03,17,472	20,31,74,720	7.98	1,80,571	89.58
2	501 to 1000	84,45,029	8,44,50,290	3.31	11,334	5.62
3	1001 to 2000	78,91,163	7,89,11,630	3.10	5,505	2.73
4	2001 to 3000	42,54,517	4,25,45,170	1.67	1,710	0.85
5	3001 to 4000	26,24,844	2,62,48,440	1.03	742	0.37
6	4001 to 5000	20,62,855	2,06,28,550	0.81	451	0.22
7	5001 to 10000	52,00,188	5,20,01,880	2.04	744	0.37
8	Above10000	20,39,60,210	2,03,96,02,100	80.06	521	0.26
	TOTAL	**25,47,56,278**	**254,75,62,780**	**100.00**	**2,01,578**	**100.00**

Category of shareholding as at 31st March, 2012

Category	No. of Shares	Percentage
Tata Companies & Trusts	7,91,25,857	31.06
Resident Individuals	5,22,63,594	20.52
Foreign Holdings	3,70,54,040	14.54
Public Financial Institutions	5,63,31,583	22.11
Government / Government Companies	74,598	0.03
Other Companies, Mutual Funds	2,94,03,628	11.54
Nationalised Banks	5,02,978	0.20
Total	**254,756,278**	**100.00**

Dematerialization of shares and liquidity:

Percentage of Shares held in

Physical form	:	3.74
Electronic form with National Securities Depository Limited	:	92.79
Electronic form with Central Depository Services (India) Limited	:	3.47

The Company's Ordinary shares are regularly traded on BSE and on NSE.

Tata Chemicals Limited

Plant Locations:

Indian Locations:

Chemicals Division	:	Mithapur 361 345, Okhamandal, Gujarat
Fertiliser Division	:	Indira Dham, P. O. Box No. 1 Babrala 202 521, Dist. Badaun, Uttar Pradesh
Haldia Works	:	P. O. Durgachak, Haldia, Dist. East Midnapore West Bengal - 721 602

Overseas Locations:

USA – Chemical Soda Ash	:	Tata Chemicals North America Inc. Green River Basin, Wyoming
UK – Chemicals	:	Tata Chemicals Europe Limited Northwich West (Winnington) and Northwich East (Lostock)
Kenya – Chemicals	:	Tata Chemicals Magadi Limited Lake Magadi, Kenya
UK - Salt	:	British Salt Limited Middlewich Cheshire
Address for correspondence :		Tata Chemicals Limited Bombay House, 24, Homi Mody Street Fort, Mumbai 400 001.

DECLARATION

I R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended 31st March, 2012.

For Tata Chemicals Limited

R. Mukundan
Managing Director

Mumbai, 30th May, 2012

AUDITORS'CERTIFICATE

TO THE MEMBERS OF
TATA CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **TATA CHEMICALS LIMITED** ("the Company"), for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

B. P. Shroff
(Partner)
(Membership No. 34382)

MUMBAI, 30th May, 2012

AUDITORS' REPORT

TO THE MEMBERS OF
TATA CHEMICALS LIMITED

1. We have audited the attached Balance Sheet of **TATA CHEMICALS LIMITED ("the Company")** as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

      (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

B. P. Shroff
(Partner)
(Membership No. 34382)

MUMBAI, 30th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result/transactions, etc., clauses (x), (xiii), (xiv), (xviii) and (xix) of paragraph 4 of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements the particulars of which needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.

(vii) According to the information and explanations given to us, there are no deposits from the public in terms of Sections 58A and 58AA or any relevant provision of the Companies Act, 1956.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 or other relevant rules prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in crores)
Central Sales Tax Act,1956 and Sales Tax Act of various states	Sales Tax (Central and State) and Value Added Tax	High Court	1997-2001	7.48
		Tribunal	1991-92, 1999-2000, 2002-03,2004-05 and 2007-08	1.00
		Appellate authority upto Commissioner's level	1991-92, 1993-99 and 2002-09	9.73
Customs Act, 1962	Custom Duty	Appellate authority upto Commissioner's level	1987-88, 1992-93 and 2001-02	0.19
Central Excise Act, 1944	Excise Duty	Supreme Court	1974-1980 and 1981-85	0.31
		Tribunal	1985-88, 1996-97 and 2005-07	0.96
		Appellate authority upto Commissioner's level	1994-2000 and 2004-09	2.75
Income Tax Act, 1961	Income Tax	Appellate authority upto Commissioner's level	2003-04 and 2002-03	22.99
Total				**45.41**

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.

(xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xvi) The Company has not raised any money by way of a public issue during the year.

(xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)
B. P. Shroff
(Partner)
(Membership No. 34382)

MUMBAI, 30th May, 2012

Tata Chemicals Limited

Balance Sheet as at 31st March, 2012

	Note	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	3	**254.82**		254.82
(b) Reserves and Surplus	4	**4,762.41**		4,485.86
			5,017.23	4,740.68
2. Non-Current Liabilities				
(a) Long-Term Borrowings	5	**2,202.57**		2,586.45
(b) Deferred Tax Liabilities (net)	6	**88.67**		159.71
(c) Other Long Term Liabilities	7	**57.48**		21.77
(d) Long-Term Provisions	8	**92.86**		95.11
			2,441.58	2,863.04
3. Current Liabilities				
(a) Short-Term Borrowings	9	**256.86**		122.74
(b) Trade Payables	10	**1,727.21**		988.04
(c) Other Current Liabilities	11	**1,107.48**		474.66
(d) Short-Term Provisions	12	**324.23**		306.38
			3,415.78	1,891.82
TOTAL			**10,874.59**	9,495.54
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	13	**1,810.03**		1,587.58
(ii) Capital Work-in-Progress	13	**265.38**		299.53
(b) Non-Current Investments	14	**4,613.62**		4,901.44
(c) Long-Term Loans and Advances	15	**169.75**		189.23
(d) Other Non-Current Assets	16	**35.65**		16.77
			6,894.43	6,994.55
2. Current Assets				
(a) Current Investments	17	**0.25**		0.25
(b) Inventories	18	**1,253.22**		696.30
(c) Trade Receivables	19	**1,485.83**		724.48
(d) Cash and Cash Equivalents	20	**891.85**		798.76
(e) Short-Term Loans and Advances	21	**253.88**		218.59
(f) Other Current Assets	22	**95.13**		62.61
			3,980.16	2,500.99
TOTAL			**10,874.59**	9,495.54

Notes forming part of Financial Statements 1 - 28

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 30th May, 2012

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Ratan N. Tata — *Chairman*
R. Gopalakrishnan — *Vice-Chairman*
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder Alagh
Dr. Y. S. P. Thorat
Eknath A. Kshirsagar — *Directors*
R. Mukundan — *Managing Director*
P. K. Ghose — *Executive Director & CFO*

Statement of Profit and Loss for the year ended 31st March, 2012

		Note	₹ in crores	₹ in crores	Previous year ₹ in crores
I.	**REVENUE**				
	(a) Revenue From Operations (Gross)	23	**8,146.21**		6,459.73
	(b) Less : Excise Duty		**158.93**		126.87
	(c) Net Revenue From Operations			**7,987.28**	6,332.86
II.	Other Income	24		**280.33**	108.03
III.	**Total Revenue (I+II)**			**8,267.61**	6,440.89
IV.	**EXPENSES**				
	(a) Cost of Materials Consumed		**2,864.91**		2,198.87
	(b) Purchases of Stock-in-trade		**2,167.65**		1,308.92
	(c) Changes in Inventories of Work-In-progress, Finished goods and Stock-in-trade		**(409.36)**		(10.07)
	(d) Employee Benefits Expense	25	**239.75**		207.38
	(e) Finance Costs (Net)	26	**210.19**		201.49
	(f) Depreciation and Amortisation		**224.68**		204.46
	(g) Other Expenses	27	**2,072.34**		1,744.50
			7,370.16		5,855.55
	(h) Less : Expenditure Transferred to Capital Account		**-**		10.22
	Total Expenses			**7,370.16**	5,845.33
V.	**Profit Before Exceptional Items and Tax (III-IV)**			**897.45**	595.56
VI.	**Exceptional Items**				
	(a) Compensation on Voluntary Retirement		**2.38**		26.75
	(b) Provision for Diminution in the Value of Long Term Investments		**12.38**		-
	(c) Impairment of Assets		**34.00**		10.08
	(d) Notional Exchange Loss on Restatement of Long Term Borrowings (Net)		**84.34**		0.03
				133.10	36.86
VII.	**Profit Before Tax (V-VI)**			**764.35**	558.70
VIII.	**Tax Expense**				
	(a) Current Tax		**209.52**		188.80
	(b) Deferred Tax		**(31.77)**		(38.59)
				177.75	150.21
IX.	**Profit For The Year (VII-VIII)**			**586.60**	408.49
X.	**EARNINGS PER SHARE (₹) (Note 28(i))** (Face value per share - ₹ 10)				
	(a) Basic			**23.03**	16.32
	(b) Diluted			**23.03**	16.32
	Notes forming part of Financial Statements	1 - 28			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 30th May, 2012

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Ratan N. Tata — *Chairman*
R. Gopalakrishnan — *Vice-Chairman*
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder Alagh
Dr. Y. S. P. Thorat
Eknath A. Kshirsagar — *Directors*
R. Mukundan — *Managing Director*
P. K. Ghose — *Executive Director & CFO*

Tata Chemicals Limited

Cash Flow Statement for the year ended 31st March, 2012

		₹ in crores	Previous year ₹ in crores
A	**Cash Flow from Operating Activities**		
	Net Profit before Tax	**764.35**	558.70
	Adjustments for :		
	Unrealised foreign exchange loss (net)	**127.38**	32.40
	Depreciation and amortisation	**224.68**	204.46
	Impairment of assets	**34.00**	10.08
	Finance cost	**210.19**	201.49
	Profit on sale of investments (net)	**(51.28)**	(16.99)
	Foreign exchange gain realised on sale of investments	**(28.20)**	-
	Interest income	**(28.75)**	(4.71)
	Dividend income	**(200.30)**	(86.33)
	Provision for doubtful debts and advances	**3.96**	(0.15)
	Provision for employee benefits	**(0.43)**	8.63
	Provision for diminution in the value of long term/current investments	**12.38**	(0.25)
	Loss on assets sold or discarded (net)	**22.63**	8.86
	Operating Profit before Working Capital Changes	**1,090.61**	916.19
	Adjustments for :		
	Trade and other receivables	**(720.12)**	(226.40)
	Inventories	**(556.92)**	(85.11)
	Trade payables, other liabilities and provisions	**769.16**	64.54
	Payment towards employee separation compensation	**(0.51)**	(0.56)
	Cash generated from Operations	**582.22**	668.66
	Taxes paid (net of refund)	**(241.49)**	(244.40)
	Net Cash generated from Operating Activities	**340.73**	424.26
B	**Cash Flow from Investing Activities**		
	Acquisition of fixed assets(including capital work-in-progress)	**(490.59)**	(323.32)
	Proceeds on sale of fixed assets	**12.02**	2.38
	Proceeds on sale of investments in subsidaries	**324.19**	30.94
	Proceeds on sale of long term investments	**99.31**	3.53
	Proceeds on sale of current investments	**6,426.05**	10,659.20
	Purchase of long term investments	**(26.78)**	(95.25)
	Purchase of current investments	**(6,425.62)**	(10,426.06)
	Investment in subsidiaries	**(40.39)**	(170.27)
	Investment in joint venture	**(1.68)**	(0.38)
	Advance towards preference/equity commitment	**(16.27)**	(16.48)
	Interest received	**28.75**	4.71
	Dividend received	**200.30**	86.33
	Net Cash generated/(used) in Investing Activities	**89.29**	(244.67)

Cash Flow Statement for the year ended 31st March, 2012 *(Contd.)*

		₹ in crores	Previous year ₹ in crores
C	**Cash Flow from Financing Activities**		
	Repayment of borrowings	**(625.27)**	(75.15)
	Proceeds of borrowings	**780.12**	72.94
	Proceeds from issue of shares	**-**	363.40
	Finance costs paid	**(199.52)**	(200.82)
	Dividends paid including distribution tax	**(292.26)**	(253.85)
	Net Cash used in Financing Activities	**(336.93)**	(93.48)
	Net Increase in Cash and Cash equivalents	**93.09**	86.11
	Cash and Cash equivalents as at 1st April (Opening balance)	**798.76**	712.65
	Cash and Cash equivalents as at 31st March as per note 20 (Closing balance)	**891.85**	798.76

Notes :

(a) Cash and Cash Equivalents include unclaimed dividend of ₹ 9.95 crores (previous year ₹ 9.28 crores).

(b) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 30th May, 2012

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Ratan N. Tata — *Chairman*
R. Gopalakrishnan — *Vice-Chairman*
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder Alagh
Dr. Y. S. P. Thorat
Eknath A. Kshirsagar — *Directors*
R. Mukundan — *Managing Director*
P. K. Ghose — *Executive Director & CFO*

Tata Chemicals Limited

Notes forming part of the Financial Statements

Note 1: Significant Accounting Policies :

(a) Basis of Accounting

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

(b) Use of Estimates

The presentation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

(c) Tangible Fixed Assets

Fixed Assets are carried at original cost net of taxes / duties, credits availed if any, less depreciation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset. Subsequent expenditure relating to the fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

Fixed Assets acquired and put to use for projects are capitalised and depreciation thereon is included in project cost till commissioning of the project.

Fixed Assets retired from active use and held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

(d) Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(e) Depreciation

(i) Depreciation has been provided on the straight line method as per Section 205(2)(b) of the Companies Act, 1956 as follows :

(a) In respect of assets acquired on or after 1st April, 1987, at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 as amended, except in respect of the following categories of assets, in which case the life of the assets has been assessed as under :

Membrane Cells	4 years
Catalyst	5-7 years
Vehicles	4 years
Computers and data processing equipments	4 years
High Pressure Boiler 4 & Turbine 12	8 years
RO Water Plant	4 years
Railway wagons procured under Wagon Investment scheme	15 years
Moulds for Water Purifiers and Bulbs	3 years

(ii) Leasehold land is amortised over the duration of the lease.

(iii) Capital assets whose ownership does not vest in the Company are depreciated over their estimated useful life.

(f) Impairment of Tangible Fixed Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Notes forming part of the Financial Statements *(Contd.)*

(g) Investments

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(h) Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including Octroi and other levies, transit insurance and receiving charges. Work- in- process and finished goods include appropriate proportion of overheads and where applicable, excise duty.

(i) Revenue Recognition

Sales of Goods

Sales are recognised, net of returns and trade discounts, Sales Tax and Value Added Tax, on dispatch of goods to customers. In respect of Urea, sales are recognised based on provisional rates of group concession as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by the Management based on the norms prescribed or notified under the said Scheme. In case of complex fertilisers, sales include price concession, as notified under the Concession Scheme, or as estimated by the Management based on the norms prescribed.

Income from Services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

(j) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive income is established.

(k) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(l) Research and Development Expenses

Revenue expenditure pertaining to Research and Development is charged to the Statement of Profit and Loss. Expenditure on Tangible fixed assets used in Research and Development is capitalised.

(m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

(n) Debenture Issues Expenses

Debenture issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956.

(o) Employee Benefits

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Fund, Compensated absences, Long service awards, Post retirement medical benefits, Directors' retirement obligations and Family Benefit Scheme.

(i) Post-employment benefit plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of Superannuation Fund are charged as an expense as they fall due.

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, Directors' Pension Liabilities and Family Benefit Scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the schemes.

The Company makes contribution towards provident fund in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the

Notes forming part of the Financial Statements *(Contd.)*

Company's Provident Fund administered by a Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency as at the year end.

Family Benefit Scheme is an unfunded defined benefit plan. The benefits of the plan accrue to eligible employees at the time of death or permanent disablement while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 100% of the last drawn basic salary in case of Management and Officer cadre employees and 100% of the last drawn basic salary plus Dearness Allowance & Fixed Additional Dearness Allowance for employees in the workmen category. The Company accounts for the liability for Family Benefit Scheme payable in future based on an independent actuarial valuation carried out at each Balance Sheet date.

(ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees render the service. These benefits include compensated absences such as paid annual leave and performance incentives.

The cost of compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

(p) Employee Separation Compensation

(i) Compensation paid / payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected.

(ii) Liability under "Early Separation Scheme" is computed and accounted at the Net Present Value.

(iii) Compensation paid / payable to employees who have opted for retirement under Voluntary Retirement Scheme including ex-gratia is charged to statement of Profit and Loss in the year of separation.

(q) Finance Costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortised and charged to Statement of Profit and Loss, over the tenure of the loan. Interest on borrowed money, allocated to and utilised for qualifying fixed assets, pertaining to the period upto the date of capitalisation is added to the cost of the assets.

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(r) Foreign Currency Transactions and Translation

(i) Foreign currency transactions (other than derivatives) of the Company and its net investment in non-integral foreign operations are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities (other than derivatives) of the company and its net investment in non-integral foreign operations as at the Balance Sheet date are restated at the year end rates and the resultant net gains or losses are recognised as income or expense in the Statement of Profit and Loss in the year in which they arise. The exchange differences on long term loans to non-integral foreign operations are accumulated in a Foreign Currency Translation Reserve, until disposal / recovery of the net investment.

The exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31st March, 2008 to 2011 had been amortised over the shorter of the maturity period or 31st March 2011.

During the current year, the company has exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31st March, 2012 have been recognised over the shorter of the loan repayment period and 31st March, 2020. The unamortised balance is presented as "Foreign Currency Monetary item Translation Difference Account" net of tax effect thereon. For the period upto 31st March, 2011, such exchange loss was amortised upto 31st March, 2011 from the period of incurrence

Notes forming part of the Financial Statements *(Contd.)*

(ii) Premium / discount on forward exchange contracts, related to monetary items which are not intended for trading or speculation purposes, are amortised over the period of the contract,

(s) Derivative Contracts

The Company enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the underlying transactions are recognised in accordance with the contract terms and accounted as per the policy stated for foreign currency transaction and translation. All other contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

(t) Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of the depreciable assets by way of a reduced depreciation charge. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

(u) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks, returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standards (AS-17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

(v) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act,1961.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets.

(w) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes forming part of the financial statements.

Note 2: Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Tata Chemicals Limited

Notes forming part of the Balance Sheet

Note 3: Share Capital

					As at 31-Mar-11
		Number of shares	**₹ in crores**	Number of shares	₹ in crores
1.	**Authorised:**				
	Ordinary shares of ₹ 10 each	**27,00,00,000**	**270.00**	27,00,00,000	270.00
2	**Issued:**				
	Ordinary shares of ₹ 10 each	**25,48,42,598**	**254.84**	25,48,42,598	254.84
3	**Subscribed and fully paid up:**				
	Ordinary shares of ₹ 10 each	**25,47,56,278**	**254.76**	25,47,56,278	254.76
4.	**Forfeited shares:**				
	Amount originally paid-up on forfeited shares	**86,320**	**0.06**	86,320	0.06
			254.82		254.82

Notes :

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

			As at 31-Mar-11	
	Number of shares	**₹ in crores**	Number of shares	₹ in crores
Ordinary shares :				
At the beginning of the year	**25,48,42,598**	**254.84**	24,33,42,598	243.34
Issued during the year	**-**	**-**	1,15,00,000	11.50
Outstanding at the end of the year	**25,48,42,598**	**254.84**	25,48,42,598	254.84
Subscribed and paid up:				
Ordinary shares :				
At the beginning of the year	**25,47,56,278**	**254.76**	24,32,56,278	243.26
Issued during the year	**-**	**-**	1,15,00,000	11.50
Outstanding at the end of the year	**25,47,56,278**	**254.76**	25,47,56,278	254.76

(i) Based on approval of the members of the Company, in August 2010, the Company has issued 1,15,00,000 equity shares on a preferential basis to Tata Sons Limited (the promoter entity).

(b) The equity shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The equity shares are also subject to restrictions as prescribed under the Companies Act 1956.

(c) Details of shares held by each shareholder more than 5 % of shares :

Ordinary shares with voting rights	**Number of shares**	**% Age**	Number of shares	% Age
(i) Tata Sons Ltd.	**4,93,06,423**	**19.35**	4,50,34,323	17.68
(ii) Life Insurance Corporation of India.	**2,05,54,959**	**8.07**	2,21,65,107	8.70
(iii) Tata Investment Corporation Ltd.	**1,57,53,501**	**6.18**	1,57,53,501	6.18
(iv) Tata Global Beverages Ltd.	**-**	**-**	1,53,85,522	6.04

(d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and pursuant to schemes of amalgamation :

	Number of shares	Number of shares
Ordinary shares with voting rights		
(i) Scheme of amalgamation		
Hind Lever Chemicals Limited	**3,44,64,000**	3,44,64,000
Tata Fertilisers Ltd	**42,49,864**	42,49,864
(ii) Contract without payment being received in cash	**37,000**	37,000
(iii) Bonus Shares by way of capitalisation of		
Securities premium account	**9,29,70,000**	9,29,70,000
General reserve	**1,24,32,144**	1,24,32,144

Notes forming part of the Balance Sheet *(Contd.)*

Note 4: Reserves and Surplus

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	**Capital reserve:**			
	Balance as per last account		**0.66**	0.66
2.	**Capital redemption reserve:**			
	Balance as per last account		**0.10**	0.10
3.	**Securities premium:**			
	(a) Balance as per last account	**1,258.21**		906.31
	(b) Add : Additions during the year on account of issue of shares	**-**		351.90
			1,258.21	1,258.21
4.	**Debenture redemption reserve:**			
	Balance as per last account		**240.00**	240.00
5.	**Foreign currency translation reserve:**			
	(a) Balance as per last account	**17.38**		38.00
	(b) Less : Transfer to statement of profit and loss upon conversion of preference shares in Homefield International Pvt. Ltd., Mauritius	**(17.38)**		(20.62)
			-	17.38
6.	**Surplus on amalgamation:**			
	(a) Balance as per last account	**20.75**		20.75
	(b) Less : On account of Wyoming 1 merger with TCL (note 28(xix))	**(0.30)**		-
			20.45	20.75
7.	**General reserve:**			
	(a) Balance as per last account	**1,005.34**		964.49
	(b) Add : Transfer from statement of profit and loss	**58.66**		40.85
			1,064.00	1,005.34
8.	**Surplus in statement of profit and loss**			
	Balance as per last account	**1,943.42**		1,869.33
	Add : Profit for the year	**586.60**		408.49
	Add : On account of Wyoming 1 merger with TCL	**0.40**		-
	Less :			
	(a) Dividends proposed to be distributed to equity shareholders (₹ 10 per share)	**254.76**		254.76
	(b) Tax on dividend	**38.01**		38.79
	(c) Transfer to general reserve	**58.66**		40.85
			2,178.99	1,943.42
			4,762.41	4,485.86

Tata Chemicals Limited

Notes forming part of the Balance Sheet *(Contd.)*

Note 5: Long-Term Borrowings

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Debentures			
	(a) Secured (note 'a' below)	**240.00**		240.00
	(b) Unsecured (note 'b' below)	**250.00**		250.00
			490.00	490.00
2.	Other loans and advances			
	(a) Unsecured from banks			
	External commercial borrowing		**1,712.57**	2,096.45
			2,202.57	2,586.45

Notes :

(a) 11.80% Secured Redeemable Non-Convertible Debentures face value ₹ 10 lakhs each redeemable at par on 18th December, 2013, secured by pari passu charge on the Company's properties at Babrala and Mithapur.

(b) 10% Unsecured Redeemable Non-Convertible Debentures face value ₹10 lakhs each redeemable at par on 2nd July, 2019.

(c) The external commercial borrowing is due for repayments on 4th June 2013, 4th December 2013, 4th June 2014 and October 2016 in installments of ₹ 465.65 crores (USD 95 million), ₹ 472.41 crores (USD 95 million), ₹ 472.41 crores (USD 95 million) and ₹ 302.10 crore (USD 60 million) respectively.

Note 6: Deferred Tax Liabilities (Net)

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Deferred Tax Assets :			
	(a) Provision for doubtful debts and advances	**7.49**		6.16
	(b) Provision for employee benefits	**14.05**		15.17
	(c) Exchange differences	**145.94**		79.31
	(d) Other timing differences	**8.22**		5.54
			175.70	106.18
2.	Deferred Tax Liability :			
	(a) Depreciation (including impairment)	**261.76**		261.05
	(b) Borrowing costs	**2.16**		4.39
	(c) Other timing differences	**0.45**		0.45
			264.37	265.89
	Net deferred tax liability		**88.67**	159.71

Notes :

(a) Deferred tax asset of ₹ 39.27 crores (previous year ₹ 8.08 crores) have been adjusted on, exchange gain/loss on long term foreign currency monetary asset/liability have been offset against " Foreign currency monetary translation difference account".

Note 7: Other Long Term Liabilities

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Trade payables		**31.33**	6.92
2.	Others			
	(a) Pension payable on employee separation scheme	**1.28**		1.79
	(b) Security deposit	**13.36**		10.15
	(c) Other payables	**11.51**		2.91
			26.15	14.85
			57.48	21.77

Notes :

(a) Provision for compensation under employee separation scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.

(b) During the year, the Company entered into an agreement with Department of Science and Technology for creation of Capital Assets for Sulphate of Potash (SOP) Project. For the above Project, the Company has received its first installment of Government Grant amounting to ₹ 8.50 crores which has been retained in a separate bank account and included in "Other payables" above.

Notes forming part of the Balance Sheet *(Contd.)*

Note 8: Long-Term Provisions

				As at 31-Mar-11
		₹ in crores	**₹ in crores**	₹ in crores
1.	Provision for employee benefits			
(a)	Provision for compensated absences	**33.35**		38.25
(b)	Provision for post retirement medical benefit	**15.13**		13.92
(c)	Provision for long service award	**3.06**		2.04
(d)	Provision for directors pension liabilities	**14.66**		17.63
(e)	Provision for family benefit scheme	**14.09**		10.70
			80.29	82.54
2.	Provision for site restoration expenditure (note 28(v))		**12.57**	12.57
			92.86	95.11

Note 9: Short-Term Borrowings

			As at 31-Mar-11
		₹ in crores	₹ in crores
1.	Loans repayable on demand		
(a)	Secured		
	From Banks : cash credits	**8.93**	12.73
(b)	Unsecured		
	From Banks : buyer's credit	**247.93**	110.01
		256.86	122.74

Notes :

(a) Loans from banks on cash credit are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.

Note 10: Trade Payables

			As at 31-Mar-11
		₹ in crores	₹ in crores
1.	Acceptances (supplier's credit)	**1,016.29**	473.53
2.	Trade payables other than acceptances (including total dues of micro, small and medium enterprises)	**655.10**	473.98
3.	Other payables	**55.82**	40.53
		1,727.21	988.04

Notes :

(a) According to information available with the Management and relied upon by the auditors, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to Micro and Small Enterprises under the said Act as at 31st March, 2012 as follows :

				As at 31-Mar-11
			₹ in crores	₹ in crores
1.	(a)	Principal amount remaining unpaid to any supplier as at 31st March, 2012	**3.18**	3.05
	(b)	Interest on 1(a) above	**0.01**	*
2.	(a)	The amount of principal paid beyond the appointed date	**2.32**	2.48
	(b)	The amount of interest paid beyond the appointed date	**0.01**	0.02
3.		Amount of interest due and payable on delayed payments	**0.01**	0.01
4.		Amount of interest accrued and due as at 31st March, 2012	**0.01**	0.01
5.		Total outstanding dues of micro enterprises and small enterprises	**3.19**	3.06

* value below ₹ 50,000/-

Tata Chemicals Limited

Notes forming part of the Balance Sheet *(Contd.)*

Note 11: Other Current Liabilities

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Current maturities of long term debts			
	(a) Debentures			
	Unsecured (note 5(a))	**-**		150.00
	(b) From Banks			
	Unsecured			
	Foreign currency non resident (banking) loan	**-**		116.75
	(c) Other loans and advances			
	Unsecured			
	External commercial borrowings	**907.66**		-
			907.66	266.75
2.	Interest accrued but not due on borrowings		**49.63**	37.55
3.	Liability towards Investor protection fund			
	(a) Unclaimed dividends	**9.94**		9.27
	(b) Unclaimed debentures and interest	**0.01**		0.01
			9.95	9.28
4.	Deposits		**31.26**	20.80
5.	Other payables			
	(a) Advances received from customers	**23.12**		42.16
	(b) Creditors for capital goods	**14.48**		34.93
	(c) Creditors for statutory dues	**20.66**		15.53
	(d) Other liabilities	**50.72**		47.66
			108.98	140.28
			1,107.48	474.66

Notes:

(a) The external commercial borrowing is due for repayments on 4th June, 2012 and 4th December, 2012 in installments of ₹ 448.66 crores (USD 95 million) and ₹ 459.00 crores (USD 95 million) respectively.

Note 12: Short-Term Provisions

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Provision for employee benefits			
	(a) Provision for compensated absences	**5.78**		6.74
	(b) Provision for gratuity	**3.02**		0.33
	(c) Provision for post retirement medical benefit	**0.50**		0.48
	(d) Provision for long service award	**0.54**		0.42
	(e) Provision for directors Pension liabilities	**0.68**		0.94
	(f) Provision for family benefit scheme	**0.86**		0.66
			11.38	9.57
2.	Others			
	(a) Proposed dividend	**254.76**		254.76
	(b) Tax on dividend	**39.71**		39.87
	(c) Provision for contingencies (note 28(v))	**14.13**		-
	(d) Others (note 28(v))	**4.25**		2.18
			312.85	296.81
			324.23	306.38

Note 13: Fixed Assets

₹ in crores

Tangible Assets (At Cost)	Gross Block				Depreciation / Amortisation				Impairment	Net Block
	As at 1-Apr-11	Additions during the year	Deductions/ Adjustments	As at 31-Mar-12	As at 1-Apr-11	For the year	Deductions/ Adjustments	As at 31-Mar-12		As at 31-Mar-12
1. Land :										
(a) Freehold	**27.76**	**5.61**	**0.01**	**33.36**	**-**	**-**	**-**	**-**	**-**	**33.36**
	18.20	9.61	0.05	27.76	-	-	-	-	-	27.76
(b) Leasehold	**17.19**	**-**	**1.47**	**15.72**	**3.44**	**0.18**	**0.26**	**3.36**	**-**	**12.36**
	17.19	-	-	17.19	3.28	0.16	-	3.44	-	13.75
2. Buildings :										
(a) Factory Buildings	**255.39**	**59.76**	**0.08**	**315.07**	**92.99**	**8.53**	**0.57**	**100.95**	**-**	**214.12**
	245.79	10.47	0.87	255.39	86.06	7.47	0.54	92.99	3.37	159.03
(b) Other Buildings #	**191.28**	**3.03**	**1.24**	**193.07**	**46.37**	**3.84**	**0.37**	**49.84**	**-**	**143.23**
	191.61	0.80	1.13	191.28	42.83	3.87	0.33	46.37	-	144.91
3. Plant and Machinery	**3,269.74**	**382.75**	**108.36**	**3,544.13**	**2,032.21**	**198.17**	**75.93**	**2,154.45**	**50.21**	**1,339.47**
	3,154.63	185.86	70.75	3,269.74	1,911.73	179.45	58.97	2,032.21	56.86	1,180.67
4. Furniture and Fittings	**65.99**	**13.11**	**5.10**	**74.00**	**43.56**	**6.51**	**4.67**	**45.40**	**-**	**28.60**
	60.81	5.83	0.65	65.99	38.31	5.65	0.40	43.56	0.05	22.38
5. Vehicles	**16.30**	**1.25**	**1.14**	**16.41**	**12.15**	**1.95**	**0.12**	**13.98**	**-**	**2.43**
	16.79	0.91	1.40	16.30	11.47	1.97	1.29	12.15	0.01	4.14
6. Office Equipment	**13.56**	**1.18**	**0.36**	**14.38**	**6.23**	**0.77**	**0.32**	**6.68**	**-**	**7.70**
	13.09	0.94	0.47	13.56	5.82	0.74	0.33	6.23	-	7.33
7. Saltworks, Reservoirs and Pans	**43.13**	**3.81**	**-**	**46.94**	**37.68**	**3.46**	**-**	**41.14**	**-**	**5.80**
	41.29	1.84	-	43.13	33.60	4.08	-	37.68	-	5.45
8. Traction Lines, Railway Sidings and Wagons	**38.74**	**1.20**	**0.14**	**39.80**	**17.34**	**1.20**	**1.02**	**17.52**	**-**	**22.28**
	36.24	4.66	2.16	38.74	18.40	0.99	2.05	17.34	-	21.40
9. Water Works	**7.48**	**-**	**0.01**	**7.47**	**6.72**	**0.07**	**-**	**6.79**	**-**	**0.68**
	7.86	-	0.38	7.48	6.98	0.08	0.34	6.72	-	0.76
Total	**3,946.56**	**471.70**	**117.91**	**4,300.35**	**2,298.69**	**224.68**	**83.26**	**2,440.11**	**50.21**	**1,810.03**
	3,803.50	220.92	77.86	3,946.56	2,158.48	204.46	64.25	2,298.69	60.29	1,587.58
10. Capital Work-in-Progress										**265.38**
										299.53
Total										**2,075.41**
										1,887.11

Notes :

1 # Includes cost of residential flats aggregating ₹ **1.87 crores** (previous year ₹ 1.87 crores) for which legal formalities relating to transfer of title are pending.

2 Additions during the year includes ₹ **1.15 crores** (previous year ₹ 6.85 crores) in respect of Scientific Research and Development Activites pertaining to Innovation Centre, as certified by the Management and accepted by the Auditors.

3 Gross book value and accumulated depreciation above include ₹ **0.37 crore** (previous year ₹ 24.33 crores) and ₹ **Nil** (previous year ₹ 13.88 crores) respectively for assets held for sale. The assets held for sale have been valued at lower of carrying value or net realisable value. Accordingly ₹ **Nil** (previous year ₹ 10.08 crores) have been provided.

4 Capital work-in-progress above includes gross value of ₹ **48.62 crores** (previous year ₹ Nil) of assets held for sale and an impairment of ₹ **34 crores** (previous year ₹ Nil) have been provided during the year.

5 The figures in light print are for the previous year.

Tata Chemicals Limited

Notes forming part of the Balance Sheet *(Contd.)*

Note 14: Non-Current Investments

		Face Value	As at 31-Mar-12 Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores	As at 31-Mar-11 Holdings	Quoted ₹in crores	Unquoted ₹in crores	Total ₹in crores
Investments (At cost) :										
A Trade										
Investments in equity instruments (fully paid up)										
i) Investment in Subsidiary Companies:										
Rallis India Ltd.	₹	1	**97,341,610**	**479.97**	**-**	**479.97**	9,734,161	479.97	-	479.97
Homefield International Pvt. Ltd., Mauritius	MUR	1	**90,016,001**	**-**	**408.76**	**408.76**	90,016,001	-	408.76	408.76
Bio Energy Ventures -1 (Mauritius) Pvt Ltd.	USD	1	**569,381,426**	**-**	**2,365.12**	**2,365.12**	13,994,200	-	67.74	67.74
Wyoming 1 (Mauritius) Pvt. Ltd.*	USD	1	**-**	**-**	**-**	**-**	720,240,000	-	2,973.17	2,973.17
ii) Investment in Joint Venture Companies:										
Khet-Se Agriproduce India Pvt Ltd**	₹	1	**139,035,429**	**-**	**13.90**	**13.90**	96,885,429	-	9.69	9.69
Indo Maroc Phosphore, S.A. , Morocco	MAD	1,000	**206,666**	**-**	**166.26**	**166.26**	206,666	-	166.26	166.26
Investments in Redeemable Preference shares										
i) Investment in Subsidiary Companies:										
5% Non Cumulative Redeemable Preference Shares of Homefield International Pvt. Ltd., Mauritius	USD	100	**170,005**	**-**	**77.86**	**77.86**	779,850	-	374.02	374.02
5% Non Cumulative Redeemable Preference Shares of Bio Energy Venture -1(Mauritius) Pvt.Ltd	USD	100	**1,728,489**	**-**	**713.58**	**713.58**	-	-	-	-
Total - Trade (A)				**479.97**	**3,745.48**	**4,225.45**		479.97	3,999.64	4,479.61
B Other Investments										
Investments in equity instruments (fully paid up)										
i) Investment in other companies:										
The Indian Hotels Co. Ltd.	₹	1	**7,271,666**	**9.82**	**-**	**9.82**	7,271,666	9.82	-	9.82
Oriental Hotels Ltd.	₹	1	**4,123,000**	**4.57**	**-**	**4.57**	4,123,000	4.57	-	4.57
Tata Investment Corporation Ltd.	₹	10	**475,840**	**6.83**	**-**	**6.83**	416,360	4.45	-	4.45
Tata Steel Ltd.	₹	10	**2,491,977**	**58.16**	**-**	**58.16**	4,251,977	99.23	-	99.23
Tata Motors Ltd.	₹	2	**1,863,705**	**7.89**	**-**	**7.89**	703,741	14.89	-	14.89
Tata Global Beverages Ltd.	₹	1	**43,175,140**	**16.09**	**-**	**16.09**	43,175,140	16.09	-	16.09
Titan Industries Ltd.	₹	1	**13,826,180**	**10.31**	**-**	**10.31**	691,309	10.31	-	10.31
The Associated Building Co. Ltd.	₹	900	**550**	**-**	**0.02**	**0.02**	550	-	0.02	0.02
Taj Air Ltd.	₹	10	**4,000,000**	**-**	**4.00**	**4.00**	4,000,000	-	4.00	4.00
Tata Industries Ltd.	₹	100	**9,861,303**	**-**	**170.19**	**170.19**	9,861,303	-	170.19	170.19
Tata Capital Ltd.	₹	10	**3,230,859**	**-**	**4.85**	**4.85**	3,230,859	-	4.85	4.85
Tata International Ltd.	₹	1,000	**48,000**	**-**	**27.34**	**27.34**	24,000	-	3.34	3.34
Tata Projects Ltd.	₹	100	**193,500**	**-**	**0.38**	**0.38**	193,500	-	0.38	0.38
Tata Services Ltd.	₹	1,000	**1,260**	**-**	**0.13**	**0.13**	1,260	-	0.13	0.13
Tata Sons Ltd.	₹	1,000	**10,237**	**-**	**56.86**	**56.86**	10,237	-	56.86	56.86
Tata Teleservices Ltd. #	₹	10	**1,285,110**	**-**	**3.11**	**3.11**	1,206,545	-	2.70	2.70
Investments in Redeemable Preference shares (fully paid up)										
i) Fully paid Redeemable Preference Shares										
7.50% Redeemable Preference Shares of Tata Sons Ltd.	₹	1,000	**200,000**	**-**	**20.00**	**20.00**	200,000	-	20.00	20.00
Total - Other Investments (B)				**113.67**	**286.88**	**400.55**		159.36	262.47	421.83
Total (A+B)				**593.64**	**4,032.36**	**4,626.00**		639.33	4,262.11	4,901.44
Less: Provision for diminution in value of investments**				**-**	**12.38**	**12.38**		-	-	-
Total				**593.64**	**4,019.98**	**4,613.62**		639.33	4,262.11	4,901.44
Aggregate of Quoted Investments (net of provision)						**593.64**				639.33
Aggregate market value of listed and quoted investments						**2,211.31**				2,408.59
Aggregate amount of unquoted investments						**4,019.98**				4,262.11

Shares can be transferred only with the prior approval of the Board of Directors of Tata Teleservices Ltd.

* With effect from January 1, 2012, Wyoming 1 (Mauritius) Pvt. Ltd. merged with Tata Chemicals Ltd pursuant to scheme of amalgamation

Abbreviations for Currencies

₹. : Indian Rupees

MUR : Mauritius Rupees

USD : United States Dollars

MAD : Moroccan Dirhams

Notes forming part of the Balance Sheet *(Contd.)*

Note 15: Long-Term Loans and Advances

			₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Unsecured, considered good				
	(a)	Capital advances		**5.63**	40.52
	(b)	Security deposits (with govt, public bodies and others)		**18.10**	18.27
	(c)	Advance towards preference/equity commitments of subsidiaries (note 28(ii(b)))		**16.27**	17.55
	(d)	Loans and advances to employees		**4.99**	4.41
	(e)	Advances recoverable in cash/kind		**7.39**	17.59
	(f)	Advances to suppliers		**19.21**	19.21
	(g)	Advance payment of taxes (net of provision)		**98.16**	71.68
2.	Doubtful				
	(a)	Advances recoverable in cash/kind	**0.44**		-
	(b)	Less : Provision for advances recoverable in cash/kind	**(0.44)**		-
				-	-
				169.75	189.23

Note 16: Other Non-Current Assets

		₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Foreign currency monetary translation difference account (note 22(a))	**29.34**	-
2.	Other non current assets	**6.31**	16.77
		35.65	16.77

Note 17: Current Investments

		Face Value	As at 31-Mar-12 Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores	As at 31-Mar-11 Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores
A **Current Investments (At lower of cost and fair value)**										
Investments in equity instruments (fully paid up)										
i) **Investment in Other Companies:**										
IFCI Venture Capital Funds Ltd.	₹	10	**250,000**	**-**	**0.25**	**0.25**	250,000	-	0.25	0.25
Kowa Spinning Ltd.	₹	10	**60,000**	**-**	*****	**-**	60,000	-	*	-
ii) **Investments in other instruments**										
Tata Investment Corporation Ltd. - Warrants	₹		**-**	**-**	**-**	**-**	59,480	-	-	-
Total - Other Current Investments (A)				**-**	**0.25**	**0.25**		-	0.25	0.25
Aggregate amount of unquoted investments						**0.25**				0.25

* value below ₹ 50,000/-

Note 18: Inventories

		₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Raw materials	**556.15**	411.72
2.	Work-in-process	**30.79**	23.25
3.	Finished goods	**108.06**	90.84
4.	Stock in trade (acquired for trading)	**457.41**	72.80
5.	Stores and spare parts, packing materials	**100.81**	97.69
		1,253.22	696.30
	Includes above, goods in transit :		
	(a) Raw materials	**10.91**	169.50
	(b) Finished goods	**0.61**	-
	(c) Stock in trade (acquired for trading)	**337.38**	1.64
	(d) Stores and spares	**0.06**	-

Tata Chemicals Limited

Notes forming part of the Balance Sheet *(Contd.)*

Note 19: Trade Receivables

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Over six months old from due date :			
	(a) Unsecured, considered good	**50.82**		117.92
	(b) Doubtful	**17.92**		20.37
		68.74		138.29
	(c) Less : Provision for doubtful trade receivables	**17.92**		20.37
			50.82	117.92
2.	Others :			
	(a) Secured, considered good	**-**		8.83
	(b) Unsecured, considered good	**1,435.01**		597.73
	(c) Doubtful	**5.97**		-
		1,440.98		606.56
	(d) Less : Provision for doubtful trade receivables	**5.97**		-
			1,435.01	606.56
			1,485.83	724.48

Notes :

(a) Trade receivables include ₹ 5.91 crores (previous year ₹ 8.32 crores) receivable from "Tata Chemicals Magadi Ltd, U.K" a subsidiary company. Maximum balance during the year is ₹ 6.55 crores (previous year ₹ 12.84 crores).

(b) Trade receivables include ₹ 1,166.73 crores (previous year ₹ 586.43 crores) on account of subsidy receivable from the Government.

Note 20: Cash and Cash Equivalents

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Balances with banks in			
	(a) Current accounts	**51.44**		86.09
	(b) Deposit accounts	**840.15**		708.00
			891.59	794.09
2.	Cheques, drafts on hand		**0.14**	4.61
3.	Cash on hand		**0.12**	0.06
			891.85	798.76
	Notes :			
(a)	Earmarked balance with banks		**9.95**	9.28

Note 21: Short-Term Loans and Advances

		₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Unsecured, considered good		
	(a) Deposits with Government, public bodies and others	**45.91**	24.82
	(b) Advance payment of taxes (net of provision)	**25.54**	20.05
	(c) Advances recoverable in cash/kind	**92.02**	33.66
	(d) Advances to suppliers	**73.56**	114.87
	(e) Advances to employees	**1.91**	1.62
	(f) Other advances	**14.94**	23.57
		253.88	218.59

Notes:

(a) To officer of the Company ₹ 0.01 crore (previous year ₹ 0.02 crore) maximum balance during the year ₹ 0.02 crore (previous year ₹ 0.02 crore).

Note 22: Other Current Assets

		₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Foreign currency monetary translation difference account (net of taxes)	**52.38**	-
2.	Income accrued on investments	**1.62**	1.10
3.	Claims receivable	**33.73**	54.05
4.	Other current assets	**7.40**	7.46
		95.13	62.61

Notes :

(a) During the year ended 31st March 2012 the Company exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items have been recognised over the shorter of the loan repayment period and 31st March, 2020. The unamortised balance as at 31st March 2012 of ₹ 81.72 crores (net of tax) (previous year ₹ Nil (net of tax)) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).

Notes forming part of the Statement of Profit and Loss

Note 23: Revenue From Operations

			₹ in crores	₹ in crores	Previous year ₹ in crores
1.	**Sales :**				
	(a)	Sales (note a)		**8,071.56**	6,352.14
2.	**Operating income :**				
	(a)	Insurance claims	**1.04**		38.14
	(b)	Town income	**2.41**		1.93
	(c)	Liabilities no longer required - written back	**6.03**		17.94
	(d)	Miscellaneous income	**65.17**		49.58
				74.65	107.59
				8,146.21	6,459.73

Notes :

(a) Sales includes subsidy income of ₹ 2,841.04 crores (previous year ₹ 2,376.73 crores)

(b) Insurance claims includes ₹ Nil (previous year ₹ 36.09 crores) towards estimated loss of profit pertaining to the Company's Fertiliser Plant at Babrala (on account of temporary disruption due to fault in Synthesis Converter in the ammonia plant up to 31st August, 2010) and ₹ Nil (previous year ₹ 2.04 crores) towards estimated claim for loss of stocks due to devastating rain fall coupled with cyclonic wind in the months of July and August 2010 in and around Mithapur plant.

Note 24: Other Income

				₹ in crores	₹ in crores	Previous year ₹ in crores
1.	Dividend Income					
	(a)	Current investments		**50.12**		33.60
	(b)	Long term Investments				
		(i)	Subsidiaries	**20.44**		15.25
		(ii)	Joint ventures	**100.28**		10.98
		(iii)	Other	**29.46**		26.50
				150.18		52.73
					200.30	86.33
2.	Interest Income					
	(a)	On bank deposits		**14.59**		1.67
	(b)	On loans and advances		**0.19**		0.19
	(c)	On refund of taxes		**13.82**		2.85
	(d)	Other interest		**0.15**		-
					28.75	4.71
3.	Net gain/loss on sale of investments					
	(a)	Current investments		**0.05**		0.24
	(b)	Long term investments		**51.23**		16.75
					51.28	16.99
					280.33	108.03

Tata Chemicals Limited

Notes forming part of the Statement of Profit and Loss *(Contd.)*

Note 25: Employee Benefits Expenses

		₹ in crores	Previous year ₹ in crores
1.	Salaries, wages and bonus	**183.44**	155.50
2.	Contribution to provident and other funds	**18.42**	15.68
3.	Contribution to group insurance scheme	**0.03**	0.03
4.	Workmen and staff welfare expenditure	**37.86**	36.17
		239.75	207.38

Note 26: Finance Costs

		₹ in crores	₹ in crores	Previous year ₹ in crores
1.	Interest expenses			
	(a) Debentures and fixed loans	**174.40**		178.79
	(b) Other loans	**15.51**		9.21
			189.91	188.00
2.	Discounting and other charges		**20.28**	13.49
			210.19	201.49

Note 27: Other Expenses

		₹ in crores	Previous year ₹ in crores
1.	Stores and spare parts consumed	**75.12**	58.43
2.	Packing materials consumed	**211.65**	181.27
3.	Power and fuel	**685.22**	570.34
4.	Repairs - Buildings	**6.04**	3.53
	- Machinery	**52.44**	41.95
	- Others	**1.01**	1.37
5.	Rent	**27.13**	28.67
6.	Royalty, rates and taxes	**12.23**	9.98
7.	Commission and distributors' service charges / discount	**140.22**	89.62
8.	Sales promotion expenses	**93.10**	88.43
9.	Insurance charges	**12.77**	6.52
10.	Freight and forwarding charges	**478.98**	427.05
11.	Loss on assets sold or discarded	**22.63**	8.86
12.	Provision for doubtful debts and advances - written back (net)	**3.96**	(0.15)
13.	Foreign exchange (gain)/loss (net)	**43.05**	32.37
14.	Directors' fees / commission	**6.05**	6.20
15.	Other provisions (note 28(v))	**16.20**	-
16.	Other expenses	**184.54**	190.06
		2,072.34	1,744.50

Notes forming part of the Statement of Profit and Loss *(Contd.)*

Notes :

(a) Other expenses ₹ 184.54 crores (previous year ₹ 190.06 crores) (note 27(16)) includes :

	₹ in crores	Previous year ₹ in crores
1. Auditors' Remuneration		
(i) For Services as Auditors [includes ₹ 0.03 crore to Cost Auditors (previous year ₹ 0.03 crore)]	**1.68**	1.68
(ii) For tax matters	**0.24**	0.24
(iii) For other services [includes ₹ * to Cost Auditors (previous year ₹ 0.01 crore)]	**1.37**	0.50
(iv) Reimbursement of travelling and out-of-pocket expenses [includes ₹ * to Cost Auditors (previous year ₹ * crore)]	**0.18**	0.02
(v) Service Tax [includes ₹ * to Cost Auditors (previous year ₹ *)]	**0.34**	0.27
	3.81	2.71
2. Donations	**1.54**	5.00
3. Excise duty adjustment for stocks	**4.37**	2.60

(b) Note 25 and 27 of statement of profit and loss includes

	₹ in crores	Previous year ₹ in crores
Payments to and provisions for employees, operation and other expenses and Directors' fees / commission includes remuneration to the Managing Director and Whole-time Directors		
(a) Remuneration including ₹ 0.11 crore (previous year ₹ 0.14 crore) towards Company's contribution to provident fund and superannuation fund, ₹ Nil (previous year ₹ 1.02 crores) towards compensated absences and gratuity for any Ex-Director.	**5.88**	6.87
(b) (Write back) / Provision for post retirement obligation	**(2.89)**	4.00
(c) Commission	**3.35**	3.50
(d) Estimated value of benefits in cash or in kind	**0.14**	0.15
	6.48	14.52

Note :

The above figures do not include provision for compensated absences and contribution to gratuity fund, as separate figures are not available for the Managing Director and Whole-time Directors other than disclosed above.

(c) Expenditure incurred on Scientific Research and Development activities @

	₹ in crores	Previous year ₹ in crores
(i) Revenue Expenditure (note 25 and 27 of statement of profit and loss includes) :		
(a) Payment to and Provision for employees	**7.44**	5.97
(b) Consumables	**1.37**	1.53
(c) Other expenses	**6.18**	9.23
(ii) Capital Expenditure	**1.39**	4.13

@ The above figure are as certified by the management and accepted by the Auditors.

Tata Chemicals Limited

Notes forming part of the Financial Statements

Note 28: Other Notes

(i) Earnings per Share (EPS) :

Basic and Diluted		**2011-12**	2010-11
(a) Profit after tax	₹ in crores	**586.60**	408.49
(b) The weighted average number of ordinary shares of ₹ 10 each			
Total number of shares	Nos.	**25,47,56,278**	25,03,45,319
(c) Earnings Per Share		**23.03**	16.32

(ii) Related Party Disclosure :

(a) Related Parties and their relationship (As identified by the Management)

Subsidiaries

Direct

Homefield International Pvt. Limited, Mauritius
Wyoming 1 (Mauritius) Pvt. Ltd., Mauritius
Rallis India Limited, India *

Indirect

Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, Mauritius
Homefield Pvt. UK Limited, United Kingdom
Tata Chemicals Africa Holdings Limited, United Kingdom
Tata Chemicals South Africa Pty Limited, South Africa
Tata Chemicals Magadi Limited, United Kingdom
Magadi Railway Company Limited, Kenya
Homefield 2 UK Limited, United Kingdom
Tata Chemicals (Europe) Holdings Limited, United Kingdom
Cheshire Salt Holdings Limited, United Kingdom
Cheshire Salt Limited, United Kingdom
British Salt Limited, United Kingdom
Brinefield Storage Limited, United Kingdom
Broomco (4118) Limited, United Kingdom
Broomco (4119) Limited, United Kingdom
Broomco (4120) Limited, United Kingdom
Cheshire Cavity Storage 2 Limited, United Kingdom
Cheshire Compressor Limited, United Kingdom
Irish Feeds Limited, United Kingdom
New Cheshire Salt Works Limited, United Kingdom
Brunner Mond Group Limited, United Kingdom
Tata Chemicals Europe Limited, United Kingdom
Brunner Mond B.V., Netherland
Brunner Mond Generation Company Limited, United Kingdom
Brunner Mond Limited, United Kingdom
Northwich Resource Management Limited, United Kingdom
Gusiute Holdings (UK) Limited, United Kingdom
Valley Holdings Inc., United States of America
Tata Chemicals North America Inc., United States of America
General Chemical International Inc, United States of America
General Chemical Great Britain Limited, United States of America
NHO Canada Holdings Inc, United States of America
General Chemical Canada Holding Inc, Canada
TCSAP Holdings, United State of America **
TCSAP LLC, United State of America
Tata Chemicals (Soda Ash) partners (TCSAP), United State of America **
GCSAP Canada Inc, Canada
Tata Chemicals Asia Pacific Pte. Limited, Singapore
Grown Energy Zambeze Holdings Pvt. Ltd, Mauritius
Grown Energy (Proprietary) Limited, South Africa
Grown Energy Zambeze Limitada, Mozambique
Rallis Chemistry Exports Limited, India
Metahelix Life Sciences Ltd (Metahelix), India
Dhaanya Seeds Ltd, India

Joint Ventures

Direct

Indo Maroc Phosphore S. A., Morocco
Khet-Se Agri Produce India Pvt. Ltd., India

Indirect

Alcad, United State of America
Kemex B.V., Netherlands
Joil (S) Pte. Ltd, Singapore
The Block Salt Company Limited, United Kingdom
Natronx Technologies LLC, United States of America #

Associates

EPM Mining Venture Inc, Canada #

Key Management Personnel

Mr. R. Mukundan, Managing Director
Mr. P. K. Ghose, Executive Director & CFO

Promoter Group

Tata Sons Limited

* Rallis India Limited is a listed company.
** a general partnership formed under the laws of the State of Delaware (USA)
# Arising out of acquisitions during the year.
Wyoming 2 (Mauritius) Pvt. Limited merged with Wyoming 1 (Mauritius) Pvt. Limited w.e.f. 4th November, 2011
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd merged with Bio Energy Venture - 1 (Mauritius) Pvt. Ltd w.e.f. 21st November, 2011
Wyoming 1 (Mauritius) Pvt. Limited merged with the Company w.e.f. 1st Janurary, 2012
Rallis Australasia Pty. Limited had liquidated as at 31st December, 2011
General Chemical (Soda Ash) Inc and Bayberry Management Corporation dissolved as at 11th January, 2012

Notes forming part of the Financial Statements *(Contd.)*

(b) Transactions with the related parties during the year ended 31st March 2012 and balances outstanding as at 31st March 2012. **(₹ in crores)**

	Subsidiaries												Joint Ventures		Promoter Group	Key Management Personnel	Total
	Rallis India Ltd., India	Dhaanya Seeds Ltd	Homefield U.K. Pvt. Ltd., U.K.	Tata chemicals South Africa Pty Ltd., South Africa	Wyoming 1 (Mauritius) Pvt. Ltd., Mauritius.	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd., Mauritius	Tata Chemicals Asia Pacific Pte Ltd., Singapore	Homefield International, Pvt. Ltd. Mauritius	Tata Chemicals North America Inc, United States of America	Tata Chemicals Magadi Ltd., U.K.	British Salt Ltd, U. K.	Grown Energy Zambeze Limitada, Mozambique	Indo Maroc Phosphore S.A., Morocco	Khet-se a Agri Produce India Pvt. Ltd., India	Tata Sons Ltd.		
Purchase of goods (includes stock in transit) - Net	**27.98**	**2.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.36**	**-**	**811.49**	**-**	**-**	**-**	**842.86**
	8.88	-	-	-	-	-	-	-	8.99	4.34	-	-	589.83	-	-	-	612.04
Sale of goods	**2.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.01**
	6.25	-	-	0.14	-	-	-	-	-	-	-	-	-	-	-	-	6.39
Other Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19.85**	**-**	**19.85**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.02	-	15.02
Investments (including advance towards subscription to preference shares)	**-**	**-**	**-**	**-**	**-**	**35.91**	**-**	**32.58**	**-**	**-**	**-**	**-**	**-**	**4.21**	**-**	**-**	**72.70**
	-	-	-	-	5.61	13.51	-	172.84	-	-	-	-	-	2.93	-	-	194.89
Sale of Investments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**99.48**	**-**	**99.48**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans given (including Interest capitalised)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-	-	-	-	-	-	1.19	-	-	-	-	1.19
Amount Receivable (in respect of loans and interest thereon)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.38**	**-**	**1.19**	**-**	**-**	**-**	**0.01**	**4.58**
	0.71	-	-	-	-	-	-	-	-	6.07	-	-	-	-	-	0.02	6.80
Amount Payable (in respect of goods purchased and other services)	**0.10**	**2.83**	**-**	**-**	**-**	**-**	**0.13**	**-**	**0.14**	**-**	**0.37**	**-**	**280.72**	**0.09**	**19.85**	**-**	**304.23**
	0.13	-	-	-	-	-	0.13	-	1.30	-	-	-	197.28	0.28	15.02	-	214.14
Interest paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.23**	**-**	**-**	**-**	**3.23**
	-	-	-	-	-	-	-	-	-	-	-	-	0.37	-	-	-	0.37
Maximum amount outstanding during the year	**4.27**	**1.64**	**-**	**-**	**-**	**-**	**0.13**	**-**	**1.44**	**4.02**	**0.37**	**1.32**	**515.41**	**-**	**19.85**	**-**	**548.45**
	0.24	-	-	-	-	-	0.13	-	1.48	12.84	-	1.19	347.31	1.72	15.02	-	379.93
Dividend received	**20.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100.28**	**-**	**-**	**-**	**120.72**
	15.25	-	-	-	-	-	-	-	-	-	-	-	10.98	-	-	-	26.23
Amounts receivable on account of any Management Contracts including for deputation of employees	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.53**	**-**	**-**	**0.22**	**0.25**	**-**	**-**	**3.02**
	-	-	-	-	-	-	-	-	-	2.25	-	-	0.16	-	-	-	2.41
Guarantees to third parties on behalf of subsidiaries	**-**	**-**	**459.40**	**-**	**-**	**-**	**-**	**-**	**-**	**244.20**	**-**	**-**	**-**	**-**	**-**	**-**	**703.60**
	-	-	402.69	-	-	-	-	-	-	214.06	-	-	-	-	-	-	616.75
Advances towards Preferences/ equity commitments of subsidaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16.27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16.27**
	-	-	-	-	2.27	11.83	-	0.90	-	-	-	-	-	2.55	-	-	17.55
Preference shares redeemed during the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**313.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**313.17**
	-	-	-	-	-	-	-	202.88	-	-	-	-	-	-	-	-	202.88

Notes :

1 In addition to the above, remuneration is paid to Key Management Personnel (note 27 (b)), under their contract of employment with the Company.

2 For investments in related parties as at 31st March 2012 (note 14).

3 The figures in light print are for previous year.

Tata Chemicals Limited

Notes forming part of the Financial Statements *(Contd.)*

(iii) Employee Benefit Obligations :

(a) The Company makes contribution towards provident fund in substance a defined contribution retirement benefit plan and towards pension, superannuation fund, a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

On account of the above Contribution Plans, a sum of ₹ 5.70 crores (previous year ₹ 4.67 crores) has been charged to the Statement of Profit and Loss.

(b) The Company makes annual contributions to the Tata Chemicals Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, both are funded defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

The Company is also providing post retirement medical benefits to qualifying employees. Similarly, the Company provides pension, housing / house rent allowance and medical benefits to retired Managing and Executive Directors.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31st March, 2012. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31st March, 2012 for the Defined Benefits Plans.

(₹ in crores)

		As at 31-Mar-12			As at 31-Mar-11		
		Gratuity	**Post retirement medical benefits**	**Directors' retirement obligations**	Gratuity	Post retirement medical benefits	Directors' retirement obligations
1	**Changes in the defined benefit obligation: Projected defined benefit obligation**						
	At the beginning of the year	**58.13**	**14.40**	**18.57**	56.89	15.00	14.68
	Current service cost	**3.35**	**0.47**	**0.25**	2.76	0.52	0.45
	Interest cost	**4.72**	**1.19**	**1.49**	4.66	1.25	1.22
	Actuarial (gain) / loss	**3.23**	**0.54**	**(4.31)**	(1.72)	(1.53)	2.82
	Past service cost	**-**	**-**	**-**	-	-	-
	Benefits paid	**(5.31)**	**(0.97)**	**(0.66)**	(4.46)	(0.84)	(0.60)
	At the end of the year	**64.12**	**15.63**	**15.34**	58.13	14.40	18.57
2	**Changes in the fair value of plan assets: Fair value of plan assets**						
	At the beginning of the year	**57.80**	**-**	**-**	57.08	-	-
	Expected return on plan assets	**4.70**	**-**	**-**	4.61	-	-
	Employer's contributions	**2.51**	**0.97**	**0.66**	4.92	0.84	0.60
	Actuarial gain / (loss)	**1.40**	**-**	**-**	(4.35)	-	-
	Benefits paid	**(5.31)**	**(0.97)**	**(0.66)**	(4.46)	(0.84)	(0.60)
	At the end of the year	**61.10**	**-**	**-**	57.80	-	-
	(Asset)/Liability (net)	**3.02**	**15.63**	**15.34**	0.33	14.40	18.57

Notes forming part of the Financial Statements *(Contd.)*

3 Net employee benefit expense (recognised in Employee Cost) for the year :

(₹ in crores)

	As at 31-Mar-12			As at 31-Mar-11		
	Gratuity	**Post retirement medical benefits**	**Directors' retirement obligations**	Gratuity	Post retirement medical benefits	Directors' retirement obligations
Current service cost	**3.35**	**0.47**	**0.25**	2.76	0.52	0.45
Interest defined benefit obligation	**4.72**	**1.19**	**1.49**	4.66	1.25	1.22
Expected return on plan assets	**(4.70)**	**-**	**-**	(4.61)	-	-
Net actuarial (gain) / loss recognised in the year	**1.83**	**0.54**	**(4.31)**	2.63	(1.53)	2.82
Past service cost	**-**	**-**	**-**	-	-	-
Total expenses recognised in the statement of profit and loss	**5.20**	**2.20**	**(2.57)**	5.44	0.24	4.49
Expected Employer's contribution next year	**3.02**	**0.50**	**0.68**	3.00	0.48	0.94
Actual Return on Plan Assets	**6.10**	**-**	**-**	0.26	-	-

4 Categories of plan assets as a percentage of the fair value of total plan assets :

	Gratuity	
	2011-12	2010-11
	%	%
Government of India Securities	**56**	64
Corporate Bonds	**37**	30
Equity Shares of Listed Companies	**2**	3
Others	**5**	3
Total	**100**	100

5 Assumptions used in accounting for gratuity and compensated absences, long service awards, post retirement medical benefits, directors' retirement obligations and family benefit scheme :

	As at 31-Mar-12				
	Gratuity & Compensated absences	**Long Service Awards**	**Post retirement medical benefits**	**Directors' retirement obligations**	**Family Benefit Scheme**
Discount rate	**8.55%** 8.20%	**8.55%** 8.20%	**8.55%** 8.20%	**8.55%** 8.20%	**8.55%** 8.20%
Expected rate of return on plan assets	**9.00%** 8.50%	**NA** NA	**NA** NA	**NA** NA	**NA** NA
Increase in Compensation cost	**7.5% for first year, 10% for second year and 7.5% thereafter** 7.5% for 2 years, 10% for third year and 7.5% thereafter	**7.5% for first year, 10% for second year and 7.5% thereafter** 7.5% for 2 years, 10% for third year and 7.5% thereafter	**NA** NA	**7.5% for first year, 10% for second year and 7.5% thereafter** 7.5% for 2 years, 10% for third year and 7.5% thereafter	**7.5% for first year, 10% for second year and 7.5% thereafter** 7.5% for 2 years, 10% for third year and 7.5% thereafter
Increase in cost of award	**NA** NA	**NA** NA	**NA** NA	**NA** NA	**NA** NA
Healthcare cost increase rate	**NA** NA	**NA** NA	**6.00%** 6.00%	**6.00%** 6.00%	**NA** NA
Pension increase rate	**NA** NA	**NA** NA	**NA** NA	**5.00%** 5.00%	**NA** NA

(a) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(b) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

(c) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

(d) The figures in light print are for previous year.

Tata Chemicals Limited

Notes forming part of the Financial Statements *(Contd.)*

6 Effect of Change in Assumed Health Care Cost Trend Rate : (₹ in crores)

	2011-12		2010-11	
	1% increase	**1% decrease**	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	**0.37**	**(0.29)**	0.30	(0.30)
Effect on defined benefit obligation	**2.86**	**(2.24)**	2.77	(2.15)

7 Experience Adjustments : (₹ in crores)

	2011-12	2010-11	2009-10	2008-09	2007-08	**2011-12**	2010-11	2009-10	2008-09	2007-08
	Gratuity					**Directors' retirement obligations**				
Defined Benefit Obligation	**64.12**	58.13	53.31	49.64	47.49	**15.34**	18.57	14.67	16.02	3.40
Plan Assets	**61.10**	57.80	57.08	50.87	46.83	-	-	-	-	-
Surplus / (Deficit)	**(3.02)**	(0.33)	3.77	1.23	(0.67)	**(15.34)**	(18.57)	(14.67)	(16.02)	(3.40)
Experience Adjustments on Plan Liabilities	**5.25**	(1.64)	3.47	(1.81)	(2.77)	**(3.53)**	2.82	(0.16)	10.46	-
Experience Adjustments on Plan Assets	**1.40**	(4.35)	0.31	1.76	2.39	-	-	-	-	-
	Post retirement medical benefits					**Family Benefit Scheme**				
Defined Benefit Obligation	**15.63**	14.40	15.00	11.32	7.31	**14.95**	11.36	11.32	-	-
Plan Assets	-	-	-	-	-	**-**	-	-	-	-
Surplus / (Deficit)	**(15.63)**	(14.40)	(15.00)	(11.32)	(7.31)	**(14.95)**	(11.36)	(11.32)	-	-
Experience Adjustments on Plan Liabilities	**1.65**	(1.53)	4.95	2.60	1.00	**2.89**	(0.85)	-	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-	-	-	-	-	-

8 The details of the Company's post-retirement and other benefit plans for its employees given above are certified by the actuary and relied upon by the Auditors.

(iv) The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures are as given below :

(₹ in crores)

PARTICULARS	**Khet-se Agriproduce India Pvt. Ltd.**		**Indo Maroc Phosphore S. A.**		**Kemex B.V.**		**ALCAD**		**Joil (S) Pte. Ltd**		**The Block Salt Company Ltd.**		**Natronx Technologies LLC**	
Country of Incorporation	**India**		**Morocco**		**Netherlands**		**United States of America**		**Singapore**		**United Kingdom**		**United States of America**	
Percentage of ownership interest	**50.00%**		**33.33%**		**49.99%**		**50.00%**		**33.78%**		**50.00%**		**33.30%**	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Liabilities	**2.35**	4.18	**83.90**	120.95	**0.42**	2.34	**6.91**	6.03	**1.73**	0.40	**1.01**	2.27	**9.53**	-
Assets	**3.38**	5.17	**264.11**	330.87	**0.77**	0.24	**9.58**	8.47	**40.36**	46.56	**2.62**	4.73	**36.22**	-
Income	**1.28**	4.76	**581.97**	447.20	**-**	0.76	**100.32**	89.71	**1.68**	0.29	**5.20**	2.21	**4.48**	-
Expenditure	**3.16**	8.01	**528.26**	410.35	**0.18**	2.09	**65.72**	58.46	**14.65**	7.53	**4.98**	2.05	**9.05**	-
Profit/(Loss) after tax for the year	**(1.88)**	(3.25)	**53.71**	36.85	**(0.18)**	(1.33)	**34.60**	31.25	**(12.97)**	(7.24)	**0.22**	0.16	**(4.57)**	-
Contingent Liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	4.98	**-**	-	**-**	-
Capital Commitments	**-**	-	**-**	-	**-**	-	**-**	-	**2.92**	15.92	**-**	-	**-**	-

Notes forming part of the Financial Statements *(Contd.)*

(v) Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2012

The company has made provision for various obligations and disputed liabilities based on its assessment of the amount it estimates to incurre to meet such obligations, details of which are given below.

(₹ in crores)

Particular	Warranty		Site Restoration Expenses		Provision for Contingencies		Others		Total	
	As at 2011-12	As at 2010-11	**As at 2011-12**	As at 2010-11	**As at 2011-12**	As at 2010-11	**As at 2011-12**	As at 2010-11	**As at 2011-12**	As at 2010-11
Opening Balance	**-**	-	**12.57**	12.57	**-**	-	**2.18**	2.18	**14.75**	14.75
Add : Provision during the year	**0.34**	-	**-**	-	**14.13**	-	**1.92**	-	**16.39**	-
Less : Payments / Reversal during the year	**(0.19)**	-	**-**	-	**-**	-	**-**	-	**(0.19)**	-
Closing Balance	**0.15**	-	**12.57**	12.57	**14.13**	-	**4.10**	2.18	**30.95**	14.75

(vi) Derivative Instruments:

(a) As at 31st March, 2012 the Company has the following derivative instruments outstanding:

(in Million)

Particulars		Hedged Exposure	Currency	As at 2011-12	As at 2010-11
Foreign Currency Exchange Contracts					
	USD / INR	Foreign Currency Loans	USD	**48.73**	24.67
	USD / INR	Foreign Currency Acceptances	USD	**94.66**	112.49
	USD / INR	Highly Probable Forecast Transactions	USD	**0.08**	58.16
	EUR / INR	Highly Probable Forecast Transactions	EUR	**0.16**	2.60
	EUR / USD	Highly Probable Forecast Transactions	EUR	**Nil**	0.45
	USD / INR	External Commercial Borrowing	USD	**46.00**	71.00
Currency Option Contracts					
	USD / INR	Foreign Currency Acceptances	USD	**88.12**	Nil
	USD / INR	External Commercial Borrowing	USD	**93.00**	78.00
Swaps					
Full Currency Swap (exchange rate/ interest rate)	USD / INR	External Commercial Borrowing	USD	**121.00**	76.00
Cross Currency Swap	USD / JPY	External Commercial Borrowing	USD	**475.00**	475.00
Coupon only Swap		External Commercial Borrowing	USD	**15.00**	Nil

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

(i) Export receivables ₹ **7.12 crores** (**USD 1.40 million)** (previous year ₹ 7.58 crores (USD 1.7 million)).

(ii) Accounts payable ₹ **49.04 crores** (**USD 9.64 million)** (previous year ₹ 46.87 crores (USD 10.51 million)).

(iii) Liability arising out of cross currency swap ₹ **1,399.06 crores (USD 275 million)** (previous year ₹ 1,226.36 crores (USD 275 million)).

Notes forming part of the Financial Statements *(Contd.)*

(vii) Contingent Liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities :

(a) Guarantees:

(i) Bank Guarantees issued by Banks on behalf of the Company ₹ **163.39 crores** (previous year ₹ 193.96 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.

(ii) Guarantees provided to third parties on behalf of subsidiaries **USD 138.30 million (₹ 703.60 crores)** (previous year USD 138.30 million (₹ 616.75 crores)).

(b) Claims not acknowledged by the Company relating to cases contested by the Company and which, in the opinion of the Management, are not likely devolve on the Company relating to the following areas :

(₹ in crores)

		As at 2011-12	As at 2010-11
(i)	Excise and Customs	**4.21**	73.92
(ii)	Sales Tax	**89.11**	81.06
(iii)	Demand for utility charges	**56.86**	56.83
(iv)	Labour and other claims against the Company not acknowledged as debt	**1.89**	1.94
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	**186.72**	239.23
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	**37.33**	37.33

(c) Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **59.67 crores** (previous year ₹ 141.87 crores).

(b) Capital commitment towards investment in joint ventures ₹ **42 crores** (previous year ₹ 72 crores).

(c) For commitments related to leases and derivatives refer note 28 (viii) and 28 (vi) respectively.

(viii) Operating Leases :

<u>As a lessee</u>

(a) General description of significant leasing arrangements :

The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. The Company has entered into operating lease arrangement for storage tank from a vendor. The leases are non cancellable and are for the period 15 years and may be renewed for a further period of 10 years based on mutual agreements of the parties.

(₹ in crores)

		As at 2011-12	As at 2010-11
(b)	Total of minimum lease payments	**101.74**	117.01
	The total of future minimum lease payments under non-cancellable operating leases for a period :		
	Not later than one year	**15.73**	15.28
	Later than one year and not later than five years	**67.77**	65.79
	Later than five years	**18.24**	35.95
(c)	Lease payments recognised in the Statement of Profit and Loss for the year	**16.85**	16.35

(d) The lease deposit of ₹ **25 crores** (previous year ₹ 25 crores) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ **2.20 crores** (previous year ₹ 2.17 crores) has been charged to the Statement of Profit and Loss on the principle of matching of revenue and costs.

Notes forming part of the Financial Statements *(Contd.)*

(ix) Borrowing Costs Capitalised

(₹ in crores)

Particulars	As at 2011-12	As at 2010-11
Borrowing costs capitalised during the year - as fixed assets/ intangible assets/ capital work in progress	**1.41**	-

(x) Details of unutilised amounts out of issue of securities for the specific purpose.

During 2010-11, the Company has issued equity shares to Tata Sons Limited amounting to ₹ 363.40 crores to fund Company's various growth projects. As at 31st March, 2012, this balance of **₹ 363.40 crores** (31st March, 2011 ₹ 363.40 crores) is pending utilisation for the specified activities and this unutilised amount has been kept invested in bank fixed deposits / money market mutual funds, pending final utilisation.

(xi) Sales of Products comprises of:

(₹ in crores)

	2011-12	2010-11
Manufactured Goods :		
Soda Ash	**1,121.08**	974.95
Sodium Bicarbonate	**138.93**	119.97
Caustic Soda	**14.41**	10.41
Liquid Chlorine	**0.17**	0.94
Hydrochloric Acid	**0.08**	0.29
Bromine	**24.33**	16.46
Vacuum Salt #	**731.88**	596.40
Pure Salt	**0.14**	2.30
Gypsum	**14.24**	13.78
Cement	**175.53**	153.59
Clinker	**4.15**	0.55
Customised Fertiliser	**71.97**	-
Urea	**1,398.07**	1,187.38
Sodium Tripolyphosphate (STPP)	**0.47**	56.75
Diammonium Phosphate (DAP)	**956.56**	546.44
Nitrogen Phosphate Potash (NPK)	**1,000.67**	847.01
Single Super Phosphate	**123.06**	107.41
Sulphuric Acid	**63.12**	36.71
Phosphoric Acid	**0.06**	0.03
Total - Sale of Manufactured goods	**5,838.92**	4,671.37
Traded Goods :		
Solar Evaporated Salt I shakti	**151.15**	143.21
Diammonium Phosphate (DAP)	**1,041.09**	745.91
Muriate of Potash (MOP)	**451.69**	445.72
Soda Ash	**10.13**	3.37
Bicarb trading	**0.60**	0.10
Fertiliser	**497.05**	145.53
Others	**80.94**	196.94
Total - Sale of Traded goods	**2,232.64**	1,680.77
Total Sales	**8,071.56**	6,352.14

\# Sales of Vacuum Salt includes free issues under sales promotion schemes.

Tata Chemicals Limited

Notes forming part of the Financial Statements *(Contd.)*

(xii) Closing Stocks of Finished Goods and Work in Process comprises:

(₹ in crores)

	Finished Goods		Work in Process	
	As at 31-Mar-12	As at 31-Mar-11	**As at 31-Mar-12**	As at 31-Mar-11
Soda Ash	**10.78**	22.82	**1.32**	3.29
Sodium Bicarbonate	**1.57**	2.24	**-**	-
Liquid Chlorine	**-**	0.01	**-**	-
Bromine	**0.06**	0.06	**-**	-
Vacuum Salt	**22.80**	16.85	**-**	-
Pure Salt	**-**	0.06	**-**	-
Clinker	**-**	-	**14.79**	3.98
Gypsum	**1.26**	0.23	**-**	-
Cement	**0.58**	0.54	**0.72**	0.91
Ammonia	**-**	-	**3.76**	1.68
Urea	**46.15**	13.05	**-**	4.50
Customised Fertiliser	**21.29**	7.09	**-**	3.32
Sodium Tripolyphosphate (STPP)	**-**	0.12	**-**	0.06
Diammonium Phosphate (DAP)	**0.26**	5.89	**-**	0.14
Nitrogen Phosphate Potash (NPK)	**0.24**	11.40	**-**	-
Single Super Phosphate	**0.22**	0.07	**8.65**	4.16
Sulphuric Acid	**1.18**	1.55	**-**	-
Phosphoric Acid	**0.52**	2.09	**-**	-
Sulphonic Acid	**0.03**	0.03	**-**	-
Others	**1.11**	6.74	**1.55**	1.21
Traded Goods :				
Solar Evaporated Salt I Shakti	**12.35**	9.80	**-**	-
Other Complex Fertilisers	**-**	29.10	**-**	-
Diammonium Phosphate (DAP)	**259.70**	-	**-**	-
Muriate of Potash (MOP)	**109.85**	33.90	**-**	-
Other - Trading	**75.52**	-	**-**	-
	565.47	163.64	**30.79**	23.25

(xiii) Raw Materials consumed comprises:
(inclusive of materials produced and captively consumed)

(₹ in crores)

	2011-12	2010-11
Limestone	**132.47**	115.40
Liquid Ammonia	**8.73**	5.21
Salt	**35.85**	26.20
Coke	**88.50**	94.76
Anthracite Coal	**64.88**	41.82
Natural Gas	**411.13**	369.45
Regasified Liquefied Natural Gas (RLNG)	**204.31**	129.36
Customised Fertiliser	**54.04**	-
Phosphoric Acid	**942.89**	671.64
Ammonia	**279.81**	189.11
Muriate of Potash (MOP)	**292.61**	282.98
Rock	**106.76**	91.02
Sulphur	**73.65**	52.94
Soda Ash	**1.60**	9.66
Neem Oil	**2.90**	1.07
Other Raw Materials	**164.78**	118.24
	2,864.91	2,198.87

Notes forming part of the Financial Statements *(Contd.)*

(xiv) Value of Imports (C.I.F. Value) :

(₹ in crores)

		2011-12	2010-11
(a)	Raw Materials, fuel and traded products	**3,801.49**	2,529.61
(b)	Stores, components and spare parts	**14.16**	9.31
(c)	Capital goods	**87.46**	40.11
		3,903.11	2,579.03

(xv) Expenditure in Foreign Currencies :

(₹ in crores)

		2011-12	2010-11
(a)	Technical know how fees @	**3.69**	15.84
(b)	Interest #	**140.72**	124.94
(c)	Payments on other accounts #	**6.29**	6.02
		150.70	146.80

@ Expenditure ₹ **0.35 crores** (previous year ₹ 6.55 crores) at gross of TDS and ₹ **3.34 crores** (previous year ₹ 9.29 crores) net of TDS for the year 2011-12.

Expenditure at gross of TDS for the year 2011-12 and 2010-11.

(xvi) Remittances in Foreign Currencies for Dividends :

The Company has remitted during the year ₹ **39.05 crores** (previous year ₹ 29.85 crores) in foreign currencies on account of dividends and does not have information as to the extent to which other remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders.

		2011-12	2010-11
(a)	Number of Non-Resident Shareholders	**2,650**	2,447
(b)	Number of Ordinary Shares held by them	**3,90,50,165**	3,31,64,110
(c)	Gross amount of dividend (₹ in crores)	**39.05**	29.85
(d)	Year ended to which the dividend related	**March-2011**	March-2010

(₹ in crores)

(xvii) Earnings in Foreign Exchange :

		2011-12	2010-11
(a)	Export of goods on F.O.B. basis	**56.03**	41.73
(b)	Interest	**-**	0.47
(c)	Miscellaneous Income	**1.77**	-
(d)	Dividend	**100.28**	10.98
		158.08	53.18

(xviii) Value of imported and indigenous raw materials, stores, components and spare parts consumed:

		2011-12		2011-12		2010-11		2010-11	
		Raw Materials		Stores, Components and Spare Parts		Raw Materials		Stores, Components and Spare Parts	
		₹ in crores	%	₹ in crores	%	₹ in crores	%	₹ in crores	%
(a)	Imported	**1,872.88**	**65.37**	**5.50**	**7.33**	1,412.20	64.73	6.29	10.77
(b)	Indigenous #	**992.03**	**34.63**	**69.62**	**92.67**	786.67	35.27	52.14	89.23
		2,864.91	**100.00**	**75.12**	**100.00**	2,198.87	100.00	58.43	100.00

Includes ₹ **15.43 crores** (previous year ₹ 12.03 crores) pertaining to wages, salaries and other revenue accounts.

Notes forming part of the Financial Statements *(Contd.)*

(xix) Scheme of Arrangement between erstwhile Wyoming 1 (Mauritius) Pvt. Ltd., a wholly owned subsidiary of the Company, with the Company :

(a) The Scheme of Arrangement between erstwhile Wyoming 1 (Mauritius) Pvt. Ltd. (Wyoming 1), a wholly owned subsidiary of the Company, with the Company was approved by the Honourable High Court of Mumbai, vide its order dated 4th May, 2012. The certified copy of the said High Court order has been received and filed with the Registrar of Companies, Mumbai and the said Scheme became effective on 23rd May, 2012.

(b) Accordingly, the Scheme has been given effect in the accounts and assets and liabilities and reserves of Wyoming 1, at their respective book value are appearing in the audited financial statements as at 31st December, 2011, have been transferred to and vested in the Company, along with profit for the period from 1st January, 2012 to 31st March, 2012 recognised in the Statement of Profit and Loss for the year ended 31st March, 2012. (the appointment date "date of the Scheme being 1st January, 2012")

(c) The summarised Statement of Profit and Loss relating to Wyoming 1 operations for the period from 1st January to 31st March is as under.

Statement of Profit and Loss for the period 1st January, 2012 to 31st March, 2012

Particulars	(₹ in crores)
REVENUE	-
EXPENDITURE	
Audit Fees	0.01
Administration Expenses	0.01
Other expenses	0.01
Total expenses	**0.03**
Profit before Tax	**(0.03)**
Tax Expense	-
Profit (loss) for the period	**(0.03)**

(d) The amalgamation has been accounted for under the "Pooling of interest" method as prescribed by Accounting Standard -14 "Accounting for Amalgamation" as notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

Particulars	(₹ in crores)
Investment	2,975.05
Current Assets, Loans and advances	
Cash and Bank Balances	0.63
Loans and Advances	0.02
Total Assets	2,975.70
Reserves	0.10
Current Liabilities and Provisions	0.16
Total Liabilities	0.26
Net Assets	2,975.44
Less : Cancellation of investment in subsidiary	(2,975.44)
	-

(e) As Wyoming 1 is a wholly owned subsidiary of the Company, no shares of the Company has been issued and allotted in lieu or exchange of the equity shares of Wyoming 1 under the Scheme. 720,240,000 equity shares of the Wyoming 1 held by the company stands cancelled.

(f) In view of the aforesaid amalgamation, the figures for the current year are not comparable to those of the previous year.

Notes forming part of the Financial Statements *(Contd.)*

(xx) For the year ended 31st March, 2012, the Company has not recognised subsidy income of ₹ 44.91 crores on Opening stock as at 1st April, 2011 of Raw Materials for Phosphatic & Potassic Fertilisers, in accordance with the Office Memorandum dated 11th July, 2011 issued by the Department of Fertilisers (DOF) which provides for the Subsidy on such Opening Stocks at old rates applicable to F.Y. 2010-11.

Based on the legal opinion made available, the said Office Memorandum is being represented against / contested. Had the Company recognised the subsidy income from sales made from such Opening Stocks as per the prevalent Nutrient Based Subsidy (NBS) policy without giving effect to the said Office Memorandum, the Sales / Income from operations and Net Profit After Tax would have been higher by ₹ 44.91 crores and ₹ 33.64 crores respectively for the year ended 31st March, 2012.

(xxi) Asterisk (*) denotes figures below ₹ 50,000.

(xxii) During the year ended 31st March, 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of financial statements, hence financial statements have been prepared as per notified Schedule VI. This has significantly impacted the disclosure and presentation made in the Financial statements. previous year figures have been regrouped/reclassified wherever necessary to correspond with the year's classification/disclosure.

Signatures to Notes '1' to '28'

For and on behalf of the Board

Ratan N. Tata	*Chairman*
R. Gopalakrishnan	*Vice-Chairman*
Nusli N. Wadia Prasad R. Menon Nasser Munjee Dr. Yoginder Alagh Dr. Y. S. P. Thorat Eknath A. Kshirsagar	*Directors*
R. Mukundan	*Managing Director*
P. K. Ghose	*Executive Director & CFO*

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 30th May, 2012.

Tata Chemicals Limited

For the year ended 31st March, 2012

Summary of Financial Information of Subsidiary Companies under Section 212 (₹ in crores)

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Reporting Currency	Share Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Homefield International Pvt. Limited	Mauritius	USD	560.73	117.66	678.98	0.59	668.17	-	2.54	0.49	2.05	-
2	Tata Chemicals Asia Pacific Pte. Limited	Singapore	SGD	69.17	(0.32)	68.88	0.03	68.81	-	(0.11)	0.00	(0.11)	-
3	Homefield Pvt. UK Limited	United Kingdom	GBP	422.04	(99.24)	1,075.94	753.13	1,075.33	-	(28.36)	0.22	(28.58)	-
4	Homefield 2 UK Limited	United Kingdom	GBP	81.46	761.77	843.23	-	843.23	-	-	-	-	-
5	Tata Chemicals (Europe) Holding Limited	United Kingdom	GBP	81.46	237.35	1,744.23	1,425.42	1,715.17	-	(80.00)	-	(80.00)	-
6	Brunner Mond Group Limited	United Kingdom	GBP	518.21	526.73	1,044.94	-	598.86	-	29.92	-	29.92	-
7	Tata Chemicals Europe Limited	United Kingdom	GBP	138.80	134.80	1,094.42	820.82	-	1,233.93	55.25	23.94	31.31	-
8	Brunner Mond Limited	United Kingdom	GBP	-	-	-	-	-	-	-	-	-	-
9	Tata Chemicals Magadi Limited	United Kingdom	USD	9.16	128.46	756.56	618.95	-	600.38	(3.41)	45.99	(49.40)	-
10	Tata Chemicals South Africa Pty Limited	South Africa	ZAR	*	26.64	44.62	17.98	-	89.02	5.85	1.62	4.23	-
11	Northwich Resource Management Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
12	Brunner Mond Generation Company Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
13	Tata Chemicals Africa Holding Limited	United Kingdom	GBP	32.14	8.76	40.91	-	37.30	-	-	-	-	-
14	Magadi Railway Company Limited	Kenya	USD	0.01	-	0.01	-	-	-	-	-	-	-
15	Brunner Mond B.V.	Netherlands	EUR	0.14	(293.63)	0.74	294.23	0.56	-	3.27	-	3.27	-
16	Gusiute Holdings (UK) Limited	United Kingdom	USD	3,477.49	496.11	4,050.44	76.84	4,049.24	-	496.23	-	496.23	-
17	Valley Holdings Inc.	United States of America	USD	*	4,316.49	4,308.06	(8.43)	-	-	(7.95)	1.68	(6.26)	528.61
18	Tata Chemicals North America Inc.	United States of America	USD	*	(875.95)	1,291.73	2,167.67	-	48.21	(155.40)	(55.30)	(210.70)	-
19	General Chemical International Inc.	United States of America	USD	-	0.01	0.01	-	-	-	-	-	-	-
20	NHO Canada Holdings Inc.	United States of America	USD	-	*	*	-	-	-	-	-	-	-
21	Tata Chemicals (Soda Ash) Partners	United States of America	USD	-	1,126.14	1,774.09	674.45	26.51	2,457.95	667.04	-	667.04	-
22	General Chemical (Great Britain) Limited	United Kingdom	GBP	-	0.99	0.99	-	-	-	-	-	-	-
23	General Chemical Canada Holding Inc.	Canada	CAD	-	-	-	-	-	-	-	-	-	-
24	GCSAP Canada Inc	Canada	CAD	-	-	-	-	-	-	-	-	-	-
25	TCSAP Holdings	United States of America	USD	-	(576.86)	(571.37)	5.49	-	-	(0.41)	-	(0.41)	-
26	TCSAP LLC	United States of America	USD	-	(15.62)	(15.62)	-	-	-	-	-	-	-
27	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Mauritius	USD	4,444.27	(20.09)	4,424.63	0.45	4,023.40	-	(18.77)	(0.64)	(19.42)	-
28	Grown Energy Zambeze Holdings Pvt. Ltd.	Mauritius	USD	48.96	(29.96)	20.49	1.50	19.33	-	(29.67)	-	(29.67)	-
29	Grown Energy (Proprietary) Limited	South Africa	ZAR	*	(*)	*	-	*	-	-	-	-	-
30	Grown Energy Zambeze Limitada	Mozambique	MZN	*	(15.36)	31.70	47.06	-	-	(2.60)	-	(2.60)	-
31	Rallis India Limited	India	INR	19.45	543.21	1,029.04	466.38	180.94	1,151.94	150.09	(48.70)	198.79	42.78
32	Rallis Chemistry Exports Limited	India	INR	0.05	(0.12)	0.12	0.19	-	-	(0.04)	-	(0.04)	-
33	Metahelix Life Sciences Ltd #	India	INR	0.11	58.93	62.60	3.56	-	10.30	3.23	-	3.23	-
34	Dhaanya Seeds Ltd #	India	INR	2.57	(1.72)	92.93	92.08	-	98.17	1.20	-	1.20	-
35	British Salt Limited	United Kingdom	GBP	-	131.19	729.63	598.44	6.83	471.17	131.78	0.95	130.83	-
36	Cheshire Salt Holdings Limited	United Kingdom	GBP	1.14	(1.12)	0.02	-	-	-	(0.01)	-	(0.01)	-
37	Cheshire Salt Limited	United Kingdom	GBP	-	153.31	599.38	446.07	-	-	0.26	2.48	(2.22)	-
38	Brinefield Storage Limited	United Kingdom	GBP	0.01	(0.06)	-	(0.05)	-	-	-	-	-	-
39	Broomco (4118) Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
40	Broomco (4119) Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
41	Broomco (4120) Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
42	Cheshire Cavity Storage 2 Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
43	Cheshire Compressor Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
44	Irish Feeds Limited	United Kingdom	GBP	0.14	5.06	6.23	1.03	-	25.86	1.38	(0.11)	1.48	-
45	New Cheshire Salt Works Limited	United Kingdom	GBP	6.21	8.26	14.47	-	-	-	0.88	(0.07)	0.95	-

Note :

1. The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as at closing day of the financial year.
2. # Turnover, Profit/(Loss) before taxation, Provision for Taxation and Profit/(Loss) after Tax shown above is for the period 01/04/2011 to 31/03/2012. However same is considered on a proportionate basis for the purposes of Consolidation from the date of acquisition based on the consolidated financial statements of Metahelix Life Sciences Ltd.
3. Asterisk (*) denotes figures below ₹ 50,000.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

TATA CHEMICALS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA CHEMICALS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2012, the Statement of Consolidated Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) and its share of loss of the associate of the Company accounted in accordance with Accounting Standard 23 (Accounting for Investments in Associates in consolidated financial statement) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we invite attention to Note 29(iv)(d) regarding the accounting of actuarial gains and losses on employee pension funds of overseas subsidiaries in "Reserves and Surplus" in accordance with the generally accepted accounting principles applicable in the country of incorporation for the reasons stated therein, as against such gains and losses being accounted in the Statement of Consolidated Profit and Loss as per the generally accepted accounting principles in India. Had the Group followed the practice of recognising such gains and losses in the Statement of Consolidated Profit and Loss, the consolidated net profit before tax and consolidated net profit after tax after the minority interest of the Group for year ended 31st March, 2012 would have been lower by ₹ 180.18 crores and ₹ 157.16 crores respectively.
4. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of ₹ 4,155.27 crores as at 31st March, 2012, total revenues of ₹ 2,410.22 crores and net cash outflow amounting to ₹ 100.32 crores for the year ended on that date as considered in the Consolidated Financial Statements. The Consolidated Financial Statement also includes the Group's share of net loss of ₹ 2.46 crores of one entity accounted as an associate in the current year and not audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investments in Associates in consolidated financial statement) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the separate audit reports on financial statements of the Company, its aforesaid subsidiaries, joint ventures and an associate and to the best of our information and according to the explanations given to us, in our opinion read with our comments in paragraph 3 above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
   - (ii) in the case of the Statement of Consolidated Profit and Loss, of the profit of the Group for the year ended on that date and
   - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No.117366W)

B. P. Shroff

(Partner)

(Membership No. 34382)

MUMBAI, 30th May, 2012

Tata Chemicals Limited

Consolidated Balance Sheet as at 31st March, 2012

	Note	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	3	**254.82**		254.82
(b) Reserves and Surplus	4	**6,163.17**		5,196.87
			6,417.99	5,451.69
2. Minority Interest			**448.09**	406.45
3. Non-Current Liabilities				
(a) Long-Term Borrowings	5	**5,484.54**		4,916.29
(b) Deferred Tax Liabilities (net)	6	**101.80**		218.29
(c) Other Long Term Liabilities	7	**365.14**		324.10
(d) Long-Term Provisions	8	**1,047.15**		864.52
			6,998.63	6,323.20
4. Current Liabilities				
(a) Short-Term Borrowings	9	**461.59**		198.49
(b) Trade Payables	10	**2,664.07**		1,737.88
(c) Other Current Liabilities	11	**1,630.27**		1,057.38
(d) Short-Term Provisions	12	**496.75**		455.90
			5,252.68	3,449.65
TOTAL			**19,117.39**	15,630.99
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets	13			
(i) Tangible Assets		**4,374.74**		3,756.12
(ii) Intangible Assets		**19.71**		25.29
(iii) Capital Work-in-Progress		**524.23**		639.22
(iv) Intangible Assets held under development		**24.96**		11.80
		4,943.64		4,432.43
(b) Goodwill on Consolidation		**6,358.74**		5,632.42
(c) Non-Current Investments	14	**606.39**		447.40
(d) Deferred Tax Assets (net)	6	**134.31**		163.47
(e) Long-Term Loans And Advances	15	**368.37**		310.73
(f) Other Non-Current Assets	16	**200.65**		275.01
			12,612.10	11,261.46
2. Current Assets				
(a) Current Investments	17	**3.27**		0.50
(b) Inventories	18	**1,863.24**		1,145.59
(c) Trade Receivables	19	**2,310.68**		1,362.37
(d) Cash and Cash Equivalents	20	**1,678.03**		1,345.04
(e) Short-Term Loans and Advances	21	**487.17**		416.32
(f) Other Current Assets	22	**162.90**		99.71
			6,505.29	4,369.53
TOTAL			**19,117.39**	15,630.99

Notes forming part of Consolidated Financial Statements 1 - 29

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 30th May, 2012

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Ratan N. Tata — *Chairman*
R. Gopalakrishnan — *Vice-Chairman*
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder Alagh
Dr. Y. S. P. Thorat
Eknath A. Kshirsagar — *Directors*
R. Mukundan — *Managing Director*
P. K. Ghose — *Executive Director & CFO*

Statement of Consolidated Profit and Loss for the year ended 31st March, 2012

		Note	₹ in crores	₹ in crores	Previous year ₹ in crores
I.	**REVENUE**				
	(a) Revenue From Operations (gross)	23	**14,045.25**		11,268.36
	(b) Less : Excise Duty		**239.19**		207.78
	(c) Net Revenue From Operations			**13,806.06**	11,060.58
II.	Other Income	24		**167.81**	95.76
III.	**Total Revenue**			**13,973.87**	11,156.34
IV.	**EXPENSES**				
	(a) Cost of Materials Consumed		**3,844.09**		3,050.07
	(b) Purchases of Stock-in-Trade		**2,299.80**		1,448.84
	(c) Changes in Inventories of Work-In-Progress, Finished Goods and Stock-in-Trade		**(490.60)**		(46.64)
	(d) Employee Benefits Expense	25	**971.01**		819.71
	(e) Finance Costs (net)	26	**427.00**		350.83
	(f) Depreciation and Amortisation Expense		**508.68**		451.05
	(g) Other Expenses	27	**4,878.10**		3,934.88
			12,438.08		10,008.74
	(h) Less : Expenditure transferred to Capital Account		**-**		10.22
	Total Expenses			**12,438.08**	9,998.52
V.	**Profit Before Exceptional Items and Tax (III-IV)**			**1,535.79**	1,157.82
VI.	**Exceptional Items**	28		**152.36**	36.86
VII.	**Profit Before Tax (V-VI)**			**1,383.43**	1,120.96
VIII.	**Tax Expense**				
	(a) Current Tax		**326.30**		299.71
	(b) Deferred Tax		**17.62**		(24.79)
				343.92	274.92
IX.	**Profit After Tax Before Minority Interest (VII-VIII)**			**1,039.51**	846.04
X.	**Share of Loss in Associate**			**2.46**	-
XI.	**Minority Interest**			**199.46**	192.57
XII.	**Profit for the year (IX-X-XI)**			**837.59**	653.47
XIII.	**EARNINGS PER SHARE (₹)**				
	(Face value per share - ₹ 10)				
	(a) Basic			**32.88**	26.10
	(b) Diluted			**32.88**	26.10

Notes forming part of Consolidated Financial Statements 1 - 29

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 30th May, 2012

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Ratan N. Tata — *Chairman*
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R. Mukundan — *Managing Director*
P. K. Ghose — *Executive Director & CFO*

Tata Chemicals Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2012

		₹ in crores	Previous year ₹ in crores
A	**Cash Flow from Operating Activities**		
	Profit before Tax	**1,383.43**	1,120.96
	Adjustments for :		
	Depreciation and amortisation	**508.68**	451.05
	Impairment of assets	**48.45**	10.08
	Finance costs	**427.00**	350.83
	Interest income	**(36.57)**	(14.50)
	Amortisation of capital grant	**-**	(4.32)
	Dividend income	**(79.83)**	(64.25)
	(Profit) / loss on sale of investments (net)	**(51.41)**	(17.01)
	Provision for doubtful debts and advances/(writen back)	**0.97**	(0.19)
	Liability no longer required written back	**(11.66)**	(31.78)
	Provision for diminution in value of current investments	**-**	(0.25)
	Unrealised foreign exchange loss/(gain)(net)	**135.67**	(29.09)
	Loss on assets sold or discarded (net)	**25.94**	9.31
	Operating Profit before Working Capital Changes	**2,350.67**	1,780.84
	Adjustments for :		
	Trade and other assets	**(1,072.21)**	(581.41)
	Inventories	**(717.65)**	(152.13)
	Trade payables, other liabilities and provisions	**964.23**	337.33
	Employee separation compensation	**(0.51)**	(0.56)
	Cash generated from Operations	**1,524.53**	1,384.07
	Taxes paid (net of refund)	**(280.64)**	(427.05)
	Net Cash generated from Operating Activities	**1,243.89**	957.02
B	**Cash Flow from Investing Activities**		
	Acquisition of fixed assets (including Capital Work-in-Progress)	**(794.82)**	(619.55)
	Proceeds on sale of fixed assets	**33.79**	26.39
	Consideration paid on acquisition/investment in subsidiary	**(3.97)**	(814.86)
	Proceeds from sale of other long term investments	**99.31**	3.53
	Proceeds on sale of current investments	**6,552.18**	11,024.67
	Purchase of long term investments	**(58.17)**	(95.25)
	Purchase of current investments	**(6,549.42)**	(10,805.98)
	Investment in associate	**(188.58)**	-
	Interest received	**35.13**	15.96
	Dividend received	**79.83**	64.25
	Net Cash used in Investing Activities	**(794.72)**	(1,200.84)

Consolidated Cash Flow Statement for the year ended 31st March, 2012

		₹ in crores	Previous year ₹ in crores
C	**Cash Flow from Financing Activities**		
	Proceeds of borrowings	**2,801.15**	1,481.17
	Proceeds from Issue of Shares	**-**	363.41
	Repayment of borrowings	**(2,019.72)**	(817.82)
	Finance costs paid	**(480.00)**	(273.93)
	Dividends paid including distribution tax	**(496.70)**	(391.81)
	Net Cash generated from / (used in) Financing Activities	**(195.27)**	361.02
	Net Increase in Cash and Cash equivalents	**253.90**	117.20
	Cash and Cash equivalents as at 1st April (Opening Balance)	**1,345.04**	1,158.90
	Add: Cash and bank balance taken over on acquisition	**0.17**	56.71
	Exchange difference on translation of foreign currency cash and cash equivalents	**78.92**	12.23
	Cash and Cash equivalents as at 31st March (Closing Balance)	**1,678.03**	1,345.04

Notes :

(a) Cash and cash equivalents include unclaimed dividend of ₹ 9.95 crores (previous year ₹ 9.28 crores).

(b) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 30th May, 2012

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Ratan N. Tata — *Chairman*
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R. Mukundan — *Managing Director*
P. K. Ghose — *Executive Director & CFO*

Tata Chemicals Limited

Notes forming part of Consolidated Financial Statement

Note 1: Basis of Consolidation

The consolidated financial statements relate to Tata Chemicals Limited (the Company), its subsidiary companies, joint ventures and an associate. The Company, its subsidiaries and joint ventures constitute the Group.

(a) Basis of Accounting :

I The financial statements of the subsidiary companies and Joint ventures used in the consolidation are drawn upto the same reporting date as of the Company, i.e. for the year ended 31st March, 2012.

II The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

(b) Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

I The financial statements of the Company and its subsidiary companies have been consolidated on a line-by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit as per the applicable Accounting Standard in India.

II Interests in joint ventures have been accounted by using the proportionate consolidation method as per the applicable Accounting Standard in India. The intra - group balances and intra - group transactions and unrealised profits are eliminated to the extent of the Group proportionate share.

III The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of the an associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. An associate is an enterprise in which the Company has significant influence and which is neither a Subsidiary nor a joint venture of the investor.

IV The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures are made is recognised in the financial statements as "Goodwill on Consolidation".

V The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.

VI The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.

VII Minority interest in the net assets of subsidiaries consists of:

a) The amount of equity attributable to minority at the date on which the investment in the subsidiary is made.

b) The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the susbidiaries is absorbed by the Group.

Notes forming part of Consolidated Financial Statement *(Contd.)*

(c) Particulars of subsidiaries and joint ventures :

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2012
Subsidiaries		
Rallis India Limited*	India	50.06%
Rallis Chemistry Exports Limited	India	100% subsidiary of Rallis
Metahelix Life Sciences Ltd	India	75.64% subsidiary of Rallis
Dhaanya Seeds Ltd	India	100% subsidiary of Metahelix
Valley Holdings Inc.	United States of America	100%
Tata Chemicals North America Inc.	United States of America	100%
General Chemical International Inc.	United States of America	100%
NHO Canada Holdings Inc.	United States of America	100%
Tata Chemicals (Soda Ash) Partners (TCSAP)**	United States of America	75%
TCSAP Holdings**	United States of America	75%
TCSAP LLC	United States of America	75%
General Chemical Canada Holding Inc.	Canada	100%
GCSAP Canada Inc.	Canada	75%
Homefield Pvt. UK Limited	United Kingdom	100%
Homefield 2 UK Limited	United Kingdom	100%
Tata Chemicals Africa Holdings Limited	United Kingdom	100%
Tata Chemicals (Europe) Holdings Limited	United Kingdom	100%
Tata chemicals Europe Limited	United Kingdom	100%
Brunner Mond Group Limited	United Kingdom	100%
Brunner Mond Limited	United Kingdom	100%
Tata Chemicals Magadi Limited	United Kingdom	100%
Northwich Resource Management Limited	United Kingdom	100%
Brunner Mond Generation Company Limited	United Kingdom	100%
Gusiute Holdings (UK) Limited	United Kingdom	100%
General Chemical (Great Britain) Limited	United Kingdom	100%
British Salt Limited	United Kingdom	100%
Cheshire Salt Holdings Limited	United Kingdom	100%
Cheshire Salt Limited	United Kingdom	100%
Brinefield Storage Limited	United Kingdom	100%
Broomco (4118) Limited	United Kingdom	100%
Broomco (4119) Limited	United Kingdom	100%
Broomco (4120) Limited	United Kingdom	100%

Tata Chemicals Limited

Notes forming part of Consolidated Financial Statement *(Contd.)*

(c) Particulars of subsidiaries and joint ventures :

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2012
Subsidiaries		
Cheshire Cavity Storage 2 Limited	United Kingdom	100%
Cheshire Compressor Limited	United Kingdom	100%
Irish Feeds Limited	United Kingdom	100%
New Cheshire Salt Works Limited	United Kingdom	100%
Brunner Mond B.V.	Netherlands	100%
Homefield International Pvt. Limited	Mauritius	100%
Wyoming 1 (Mauritius) Pvt. Limited***	Mauritius	100%
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Mauritius	100%
Grown Energy Zambeze Holdings Pvt. Ltd.	Mauritius	100%
Tata Chemicals Asia Pacific Pte. Limited	Singapore	100%
Tata Chemicals South Africa Pty Limited	South Africa	100%
Grown Energy (Proprietary) Limited	South Africa	100%
Magadi Railway Company Limited	Kenya	100%
Grown Energy Zambeze Limitada	Mozambique	95%

* Rallis India Limited is a listed company.

** A general partnership formed under the laws of the State of Delaware (USA)

*** Wyoming 2 (Mauritius) Pvt. Limited merged with Wyoming 1 (Mauritius) Pvt. Limited w.e.f. 4th November, 2011 which inturn merged with the Company w.e.f. 1st January, 2012.

Bio Energy Venture - 2 (Mauritius) Pvt. Ltd merged with Bio Energy Venture - 1 (Mauritius) Pvt. Ltd w.e.f. 21st November, 2011.

Rallis Australasia Pty. Limited had liquidated as at 31st December, 2011

General Chemicals (Soda Ash) Inc and Bayberry Management Corporation dissolved as at 11th January, 2012

Joint Ventures		
Khet-Se Agriproduce India Pvt. Limited	India	50.00%
Alcad	United States of America	50.00%
The Block Salt Company Limited	United Kingdom	50.00% holding by New Cheshire Salt Works Limited
Kemex B.V.	Netherlands	49.99%
Joil (S) Pte. Ltd and its subsidaries	Singapore	33.78%
Indo Maroc Phosphore S. A.	Morocco	33.33%
Natronx Technologies LLC*	United States of America	33.3% holding by TCSAP
Associate		
EPM Mining Ventures Inc.,*	Canada	25.70%

* Arising out of aquisition during the year

Promoter Group		
Tata Sons Limited	India	

Notes forming part of Consolidated Financial Statement *(Contd.)*

Note 2: Significant Accounting Policies

(a) Basis of Accounting

The accounts of the Group are prepared under the historical cost convention using the accrual method of accounting.

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

(b) Use of Estimates

The presentation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

(c) Tangible and Intangible Fixed Assets

Tangible Fixed Assets are carried at original cost net of taxes / duties, credits availed if any, less depreciation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset. Subsequent expenditure relating to the fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

Fixed Assets acquired and put to use for projects are capitalised and depreciation thereon is included in project cost till commissioning of the project.

Fixed Assets retired from active use and held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the Consolidated Balance Sheet.

Intangibles assets

Computer Software, Patents, Intellectual Property Rights (IPR), Trademarks, Licenses and other intangibles of similar nature are initially recognised at cost. Intangible assets are amortised using straight line method over their estimated useful lives / period of contractual rights or ten years whichever is lower and are tested for any impairment.

(d) Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(e) Depreciation

(i) Depreciation on fixed assets is provided at the rates determined on straight line method over the useful life estimated by the Management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher, except for mines, machinery and equipment of a subsidiary, which are depreciated using the units-of-production method. Approximately 6% of the net block of machinery and equipment of the Group (previous year 6%) and 100% of the net block of mines and quarries of the Group (previous year 100%) are depreciated using the units-of-production method.

(ii) Leasehold land is amortised over the duration of the lease.

(iii) Capital assets whose ownership does not vest in the Company are depreciated over their estimated useful life.

Notes forming part of Consolidated Financial Statement *(Contd.)*

(f) Impairment of Tangible and Intangible Fixed Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(g) Investments

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(h) Inventories

Inventories are valued at lower of the cost on weighted average basis (except two foreign subsidiaries and two JVs which are on FIFO basis constituting 10% (previous year 10%) of the total inventory value) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including Octroi and other levies, transit insurance and receiving charges. Work in process and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue Recognition

Sales of Goods

Sales are recognised, net of returns and trade discounts, Sales Tax and Value Added Tax, on dispatch of goods to customers. In respect of Urea, sales are recognised based on provisional rates of group concession as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by the Management based on the norms prescribed or notified under the said Scheme. In case of complex fertilisers, sales include price concession, as notified under the Concession Scheme, or as estimated by the Management based on the norms prescribed.

Income from Services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

(j) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive income is established.

(k) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(l) Research and Development Expenses

Revenue expenditure pertaining to Research and Development is charged to the Statement of Profit and Loss. Expenditure on Tangible/Intangible fixed assets used in Research and Development is capitalised.

(m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

(n) Debenture Issues Expenses

Debenture issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956.

Notes forming part of Consolidated Financial Statement *(Contd.)*

(o) Employee Benefits

(A) **In respect of the Company and Indian consolidating entities**

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Fund, compensated absences, long service awards, post retirement medical benefits, Directors' retirement obligations and Family Benefit Scheme.

(i) Post-employment benefit plans

Payments to defined contribution retirement benefit schemes for eligible employees in the form of Superannuation Fund are charged as an expense as they fall due.

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, Directors' Pension Liabilities and Family Benefit Scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the schemes.

The Company makes contribution towards provident fund in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency as at the year end.

Family Benefit Scheme is an unfunded defined benefit plan. The benefits of the plan accrue to eligible employees at the time of death or permanent disablement while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 100% of the last drawn basic salary in case of Management and Officer cadre employees and 100% of the last drawn basic salary plus Dearness Allowance & Fixed Additional Dearness Allowance for employees in the workmen category. The Company accounts for the liability for Family Benefit Scheme payable in future based on an independent actuarial valuation carried out at each Balance Sheet date.

(ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

The cost of compensated absences is accounted as under :

(a) In case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non - accumulating compensated absence, when the absences occur.

(iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

(B) In respect of overseas subsidiaries and joint ventures , the liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries (note 29(iv)).

The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation instead of the practice followed under Indian GAAP.

Tata Chemicals Limited

Notes forming part of Consolidated Financial Statement *(Contd.)*

(p) Employee Separation Compensation

(i) Compensation paid / payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected.

(ii) Liability under "Early Separation Scheme" is computed and accounted at the Net Present Value.

(iii) Compensation paid / payable to employees who have opted for retirement under Voluntary Retirement Scheme including ex-gratia is charged to Statement of Profit and Loss in the year of separation.

(q) Finance Costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortised and charged to Statement of Profit and Loss, over the tenure of the loan. Interest on borrowed money, allocated to and utilised for qualifying fixed assets, pertaining to the period upto the date of capitalisation is added to the cost of the assets.

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(r) Foreign Currency Transactions and Translation

(i) Foreign currency transactions (other than derivatives) of the company and its net investment in non-integral foreign operations are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. Foreign Currency monetary assets and liabilities (other than derivatives) of the company and its net investment in non-integral foreign operations as at the Balance Sheet date are restated at the year end rates and the resultant net gains or losses are recognised as income or expense in the Statement of Profit and Loss in the year in which they arise. The exchange differences on long term loans to non-integral foreign operations are accumulated in a Foreign Currency Translation Reserve, until disposal / recovery of the net investment.

The exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31st March, 2008 to 2011 had been amortised over the shorter of the maturity period or 31st March 2011.

During the current year, the company has exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31st March, 2012 have been recognised over the shorter of the loan repayment period and 31st March, 2020. The unamortised balance is presented as "Foreign Currency Monetary item Translation Difference Account" net of tax effect thereon. For the period upto 31st March, 2011, such exchange loss was amortised upto 31st March, 2011 from the period of incurrence.

(ii) Premium / discount on forward exchange contracts, related to monetary items which are not intended for trading or speculation purposes, are amortised over the period of the contract.

(s) Derivative Contracts

The Group enters into derivative contracts in the nature of full currency swaps, interest rate swaps, currency options, forward contracts and commodity hedges with an intention to hedge its existing assets and liabilities, raw material requirements and firm commitments and highly probable transactions. Derivative contracts which are closely linked to the underlying transaction are recognised in accordance with the contract terms and accounted as per the policy stated for foreign currency transaction and translation. All other contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

(t) Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable assets by way of a reduced depreciation charge. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

(u) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(v) Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provision is determined based on the local tax laws.

Deferred tax is recognised for all timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets.

(w) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes following part of the financial statements.

(x) Goodwill on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the investee company at the time of acquisition and the cost of investment made. The said goodwill is not amortised; however, it is tested for impairment at each Balance Sheet date and impairment loss, if any, is provided for.

(xi) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xii) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposit that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Tata Chemicals Limited

Notes forming part of the Consolidated Balance Sheet

	Number of shares	₹ in crores	As at 31-Mar-11 Number of shares	As at 31-Mar-11 ₹ in crores
Note 3: Share Capital				
1. **Authorised:**				
Ordinary shares of ₹ 10 each	**27,00,00,000**	**270.00**	27,00,00,000	270.00
2 **Issued:**				
Ordinary shares of ₹ 10 each	**25,48,42,598**	**254.84**	25,48,42,598	254.84
3 **Subscribed and fully paid up:**				
Ordinary shares of ₹ 10 each	**25,47,56,278**	**254.76**	25,47,56,278	254.76
4. **Forfeited shares:**				
Amount originally paid-up on forfeited shares	**86,320**	**0.06**	86,320	0.06
		254.82		254.82

Notes :

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Issued share capital:	Number of shares	₹ in crores	Number of shares	₹ in crores
Ordinary shares :				
At the beginning of the year	**25,48,42,598**	**254.84**	24,33,42,598	243.34
Issued during the year	**-**	**-**	1,15,00,000	11.50
Outstanding at the end of the year	**25,48,42,598**	**254.84**	25,48,42,598	254.84
Subscribed and paid up:				
Ordinary shares :				
At the beginning of the year	**25,47,56,278**	**254.76**	24,32,56,278	243.26
Issued during the year	**-**	**-**	1,15,00,000	11.50
Outstanding at the end of the year	**25,47,56,278**	**254.76**	25,47,56,278	254.76

(i) Based on approval of the members of the Company, in August 2010, the Company has issued 1,15,00,000 equity shares on a preferential basis to Tata Sons Limited (the promoter entity).

(b) The equity shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The equity shares are also subject to restrictions as prescribed under the Companies Act 1956.

(c) Details of shares held by each shareholder more than 5 % of shares :

Ordinary shares with voting rights	Number of shares	% Age	Number of shares	% Age
(i) Tata Sons Ltd.	**4,93,06,423**	**19.35**	4,50,34,323	17.68
(ii) Life Insurance Corporation of India.	**2,05,54,959**	**8.07**	2,21,65,107	8.70
(iii) Tata Investment Corporation Ltd.	**1,57,53,501**	**6.18**	1,57,53,501	6.18
(iv) Tata Global Beverages Ltd.	**-**	**-**	1,53,85,522	6.04

(d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and pursuant to schemes of amalgamation :

Ordinary shares with voting rights	Number of shares	Number of shares
(i) Scheme of amalgamation		
Hind Lever Chemicals Limited	**3,44,64,000**	3,44,64,000
Tata Fertilisers Ltd	**42,49,864**	42,49,864
(ii) Contract without payment being received in cash	**37,000**	37,000
(iii) Bonus Shares by way of capitalisation of		
Securities premium account	**9,29,70,000**	9,29,70,000
General reserve	**1,24,32,144**	1,24,32,144

Notes forming part of the Consolidated Balance Sheet *(Contd.)*

Note 4: Reserves and Surplus

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. **Capital reserve:**			
Balance as per last account		**0.66**	0.66
2. **Capital redemption reserve:**			
Balance as per last account		**0.10**	0.10
3. **Securities premium:**			
Balance as per last account	**1,258.89**		906.99
Add : Additions during the year on account of issue of shares	**-**		351.90
		1,258.89	1,258.89
4. **Debenture redemption reserve:**			
Balance as per last account	**252.50**		240.00
Add : Transferred from statement of profit and loss	**12.50**		12.50
		265.00	252.50
5. **Foreign currency translation reserve:**			
Balance as per last account	**121.98**		110.22
Add : Net adjustments during the year	**625.57**		11.76
		747.55	121.98
6. **Surplus on amalgamation:**			
Balance as per last account	**20.75**		20.75
Less : Net adjustments during the year	**(0.68)**		-
		20.07	20.75
7. **General reserve:**			
Balance as per last account	**1,028.06**		974.59
Add : Transferred from statement of profit and loss	**68.80**		53.47
		1,096.86	1,028.06
8. **Actuarial gains / (losses) (net of tax)** (Note 29(iv(d))) **:**			
Balance as per last account	**(158.32)**		(161.35)
Add/(Less) : Net adjustments during the year	**(157.16)**		3.03
		(315.48)	(158.32)
9. **Other reserves:**			
Balance as per last account	**5.88**		6.18
Add/(Less) : Net adjustments during the year	**5.31**		(0.30)
		11.19	5.88
10. **Surplus in statement of profit and loss**			
Balance as per last account	**2,666.37**		2,374.96
Add : Profit for the year	**837.59**		653.47
Less :			
(a) Dividends proposed to be distributed to equity shareholders (₹ 10 per share)	**(254.76)**		(254.76)
(b) Tax on dividend	**(64.50)**		(41.33)
(c) Transfer to general reserve	**(68.80)**		(53.47)
(d) Transfer to debenture redemption reserve	**(12.50)**		(12.50)
(e) Transfer to other reserves	**(5.31)**		-
(f) Transfer from FCTR	**(19.76)**		-
		3,078.33	2,666.37
		6,163.17	5,196.87

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Notes forming part of the Consolidated Balance Sheet *(Contd.)*

Note 5: Long-Term Borrowings

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Debentures			
(a)	Secured			
	(i) 11.80% Secured redeemable non-convertible debentures	**240.00**		240.00
	(ii) 9.05% Secured redeemable non-convertible debentures	**75.00**		75.00
		315.00		315.00
(b)	Unsecured	**250.00**		250.00
			565.00	565.00
2.	Term Loans (Secured)			
	(a) From Banks		**2,839.86**	1,938.92
3.	Finance lease obligations (Secured)		**0.24**	-
4.	Other loans and advances (Unsecured)			
	(a) From banks			
	(i) External commercial borrowing	**1,712.57**		2,096.45
	(ii) Others	**224.95**		197.07
		1,937.52		2,293.52
	(b) 6.44% Senior notes due in 2017	**127.45**		111.98
	(c) From others	**14.47**		6.87
			2,079.44	2,412.37
			5,484.54	**4,916.29**

Note 6: Deferred Taxes

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

₹ in crores

		As at 31st March, 2012	As at 31st March, 2011	**As at 31st March, 2012**	As at 31st March, 2011
		Deferred Tax Liability		**Deferred Tax Asset***	
1.	Deferred Tax Assets :				
	(a) Provision for doubtful debts and advances	**23.95**	23.66	**-**	-
	(b) Provision for employee benefits	**14.05**	99.67	**234.96**	102.42
	(c) Exchange differences	**145.94**	79.31	**-**	15.39
	(d) Other timing differences	**15.94**	10.76	**84.64**	51.80
		199.88	213.40	**319.60**	169.61
2.	Deferred Tax Liability :				
	(a) Depreciation	**295.98**	318.92	**29.50**	6.14
	(b) Other timing differences	**5.70**	103.56	**155.79**	-
	(c) Asset retirement obligations	**-**	9.21	**-**	-
		301.68	431.69	**185.29**	6.14
	Net deferred tax asset/(liability)	**(101.80)**	(218.29)	**134.31**	163.47

* The deferred tax assets have been created only if there is reasonable certainty on the date of the Balance Sheet, that there will be sufficient taxable income available to realise such assets in future.

Notes forming part of the Consolidated Balance Sheet *(Contd.)*

Note 7: Other Long-Term Liabilities

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Trade payables		**31.33**	6.92
2. Others			
(a) Pension payable on Employee Separation Scheme (Note a)	**1.28**		1.79
(b) Security deposit	**13.36**		10.15
(c) Other payables	**319.17**		305.24
		333.81	317.18
		365.14	324.10

Notes:

(a) Provision for compensation under employee separation scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.

(b) During the year, the Company entered into an agreement with Department of Science and Technology for creation of Capital Assets for Sulphate of Potash (SOP) Project. For the above Project, the Company has received its first installment of Government Grant amounting to ₹ 8.50 crores which has been retained in a separate bank account and included in "Other payables" above.

Note 8: Long-Term Provisions

	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Provision for employee benefits	**1,022.87**	848.61
2. Provision for site restoration expenditure (note 29(vi))	**24.28**	15.91
	1,047.15	864.52

Note 9: Short-Term Borrowings

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Loans repayable on demand			
(a) Secured			
From Banks : Cash credits		**8.93**	43.23
2. Other loans and advances			
(a) Secured			
From Banks : Term loan	**204.73**		45.25
(b) Unsecured			
From Banks : Buyer's credit	**247.93**		110.01
		452.66	155.26
		461.59	198.49

Note 10: Trade Payables

	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Acceptances (Supplier's credit)	**1,016.29**	473.53
2. Trade payables other than acceptances	**1,469.15**	1,113.88
3. Other payable	**178.63**	150.47
	2,664.07	1,737.88

Tata Chemicals Limited

Notes forming part of the Consolidated Balance Sheet *(Contd.)*

Note 11: Other Current Liabilities

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Current maturities of long term debts			
(a) Debentures			
Unsecured			
7.40% Unsecured redeemable non-convertible debentures	-		150.00
(b) From Banks			
Unsecured			
Foreign currency non resident (banking) loan	-		116.75
(c) Other loans and advances			
Unsecured			
(i) External commercial borrowings	**907.66**		-
(ii) From others	**198.46**		309.13
		1,106.12	575.88
2. Current maturities of Finance Lease obligation		**8.48**	9.06
3. Interest accrued but not due on borrowings		**69.53**	122.53
4. Liability towards investor protection fund			
(a) Unclaimed dividends	**10.73**		9.27
(b) Unclaimed debentures and interest	**0.01**		0.01
		10.74	9.28
5. Deposits		**31.26**	32.42
6. Other payables			
(a) Advances received from customers	**24.29**		75.66
(b) Creditors for capital goods	**14.53**		34.93
(c) Other liabilities	**365.32**		197.62
		404.14	308.21
		1,630.27	1,057.38

Notes :

(a) 7.40% Unsecured Redeemable Non-Convertible Debentures face value ₹ 10 lakhs each redeemable at par on 23 November, 2011.

(b) The external commercial borrowing is due for repayments on 4th June 2012 and 4th December 2012 in installments of ₹ 448.66 crores (USD 95 million) and ₹ 459.00 crores (USD 95 million) respectively.

Note 12: Short - Term Provisions

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Provision for employee benefits		**49.10**	39.55
2. Others			
(a) Proposed dividend	**254.76**		254.76
(b) Tax on dividend	**39.71**		39.87
(c) Provision for tax (net of advances)	**18.64**		12.93
(d) Provision for contingencies (note 29(vi))	**14.13**		-
(e) Provision for site restoration expenditure (note 29(vi))	**115.65**		106.61
(f) Others (note 29(vi))	**4.76**		2.18
		447.65	416.35
		496.75	455.90

Notes forming part of the Consolidated Balance Sheet *(Contd.)*

Note 13 : Tangible Fixed Assets and Intangible Assets

₹ in crores

Fixed Assets (At Cost)	Gross Block As at 1-Apr-11	Gross Block Acquisitions during the year	Gross Block Additions during the year	Gross Block Deductions/ Adjustments	Gross Block Exchange Fluctuations	Gross Block As at 31-Mar-12	Depreciation/Amortisation As at 1-Apr-11	Depreciation/Amortisation Acquisitions during the year	Depreciation/Amortisation For the year	Depreciation/Amortisation Deductions/ Adjustments	Depreciation/Amortisation Exchange Fluctuations	Depreciation/Amortisation As at 31-Mar-12	Impairment	Net Block As at 31-Mar-12
(i) Tangible Assets:														
1. Land:														
(a) Freehold	**126.63**	**1.09**	**8.84**	**(0.04)**	**12.85**	**149.37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**149.37**
	94.54	36.09	9.61	(17.11)	3.50	126.63	-	-	-	-	-	-	-	126.63
(b) Leasehold	**212.19**	**-**	**41.17**	**(4.20)**	**23.29**	**272.45**	**18.97**	**-**	**6.25**	**(0.49)**	**2.26**	**26.99**	**2.28**	**243.18**
	157.16	0.08	57.38	(1.23)	(1.20)	212.19	14.66	0.08	4.77	(0.43)	(0.11)	18.97	-	193.22
2. Works :														
(a) Saltworks, Reservoirs and Pans	**167.05**	**-**	**3.81**	**(0.01)**	**16.69**	**187.54**	**49.03**	**-**	**3.57**	**(0.02)**	**1.55**	**54.13**	**-**	**133.41**
	45.87	117.89	1.84	-	1.45	167.05	37.65	6.62	4.67	-	0.09	49.03	-	118.02
(b) Plant and Machinery	**6,664.88**	**1.87**	**647.92**	**(179.41)**	**419.55**	**7,554.81**	**3,970.17**	**1.65**	**415.94**	**(130.09)**	**240.37**	**4,498.04**	**231.70**	**2,825.07**
	5,825.59	505.73	333.77	(87.61)	87.40	6,664.88	3,345.38	276.82	366.99	(72.58)	53.56	3,970.17	211.99	2,482.72
(c) Traction Lines, Railway Sidings and Wagons	**243.64**	**-**	**1.20**	**(0.30)**	**28.28**	**272.82**	**123.95**	**-**	**24.88**	**(1.02)**	**15.78**	**163.59**	**-**	**109.23**
	241.15	-	5.64	(2.16)	(0.99)	243.64	103.91	-	22.69	(2.05)	(0.60)	123.95	-	119.69
(d) Buildings	**770.78**	**4.14**	**167.88**	**(0.92)**	**61.02**	**1,002.90**	**299.49**	**3.08**	**31.21**	**(1.14)**	**25.04**	**357.68**	**0.86**	**644.36**
	585.91	167.40	11.59	(2.46)	8.34	770.78	215.80	56.06	23.84	(1.46)	5.25	299.49	3.37	467.92
3. Other Buildings	**229.86**	**-**	**3.03**	**(2.48)**	**4.44**	**234.85**	**66.63**	**-**	**4.45**	**(0.38)**	**2.83**	**73.53**	**-**	**161.32**
	229.94	-	1.17	(1.13)	(0.12)	229.86	62.61	-	4.39	(0.33)	(0.04)	66.63	4.49	158.74
4. Water Works	**7.47**	**-**	**-**	**0.00**	**-**	**7.47**	**6.73**	**-**	**0.07**	**(0.01)**	**-**	**6.79**	**-**	**0.68**
	7.85	-	-	(0.38)	-	7.47	6.98	-	0.08	(0.34)	0.01	6.73	-	0.74
5. Furniture & Fittings & Office Equipment	**153.71**	**0.41**	**25.03**	**(9.05)**	**13.21**	**183.31**	**108.53**	**0.41**	**11.61**	**(11.66)**	**9.62**	**118.51**	**4.87**	**59.93**
	141.29	0.62	10.58	(1.30)	2.52	153.71	96.62	0.40	10.10	(0.89)	2.30	108.53	4.35	40.83
6. Vehicles	**52.31**	**0.24**	**2.87**	**(3.96)**	**3.39**	**54.85**	**31.85**	**0.22**	**5.65**	**(2.50)**	**2.10**	**37.32**	**-**	**17.53**
	53.07	0.70	2.31	(3.78)	0.01	52.31	29.24	0.34	5.67	(3.40)	-	31.85	0.01	20.45
7. Mines & Quarries	**28.57**	**-**	**0.27**	**(0.01)**	**4.04**	**32.87**	**1.41**	**-**	**0.59**	**(0.02)**	**0.23**	**2.21**	**-**	**30.66**
	28.99	-	-	(0.23)	(0.19)	28.57	1.10	-	0.54	(0.23)	-	1.41	-	27.16
Total Tangible Assets	**8,657.09**	**7.75**	**902.02**	**(200.38)**	**586.76**	**9,953.24**	**4,676.76**	**5.36**	**504.22**	**(147.33)**	**299.78**	**5,338.79**	**239.71**	**4,374.74**
	7,411.36	828.51	433.89	(117.39)	100.72	8,657.09	3,913.95	340.32	443.74	(81.71)	60.46	4,676.76	224.21	3,756.12
(ii) Intangible Assets:														
1. Goodwill	**1.64**	**-**	**-**	**-**	**-**	**1.64**	**1.64**	**-**	**-**	**-**	**-**	**1.64**	**-**	**-**
	1.64	-	-	-	-	1.64	1.64	-	-	-	-	1.64	-	-
2. Computer software	**34.86**	**-**	**0.29**	**(0.87)**	**(0.25)**	**34.03**	**32.38**	**-**	**1.80**	**(0.08)**	**(0.97)**	**33.13**	**-**	**0.90**
	34.30	0.60	0.16	0.05	(0.25)	34.86	27.89	1.06	3.69	0.04	(0.30)	32.38	-	2.48
3. Technical knowhow	**27.04**	**-**	**-**	**(7.41)**	**0.02**	**19.65**	**11.25**	**-**	**0.01**	**(1.52)**	**0.01**	**9.75**	**-**	**9.90**
	24.83	-	0.25	(0.04)	2.00	27.04	7.90	-	3.05	(0.01)	0.31	11.25	-	15.79
4. Seed Development cost	**7.54**	**-**	**2.25**	**(0.40)**	**3.08**	**12.47**	**0.57**	**-**	**2.64**	**(0.40)**	**0.81**	**3.62**	**-**	**8.85**
	-	6.34	1.20	-	-	7.54	-	-	0.56	-	0.01	0.57	-	6.97
5. Patents (license fees)	**0.07**	**-**	**-**	**-**	**0.02**	**0.09**	**0.02**	**-**	**0.01**	**-**	**-**	**0.03**	**-**	**0.06**
	0.07	-	-	-	-	0.07	0.02	-	0.01	-	(0.01)	0.02	-	0.05
Total Intangible Assets	**71.15**	**-**	**2.54**	**(8.68)**	**2.87**	**67.88**	**45.86**	**-**	**4.46**	**(2.00)**	**(0.15)**	**48.17**	**-**	**19.71**
	60.84	6.94	1.61	0.01	1.75	71.15	37.45	1.06	7.31	0.03	0.01	45.86	-	25.29
(iii) Capital Work-in-Progress														**524.23**
														639.22
(iv) Intangible Assets held under development														**24.96**
														11.80
Total Fixed Assets														**4,943.64**
														4,432.43

Notes:

1. Gross book value and accumulated depreciation above include ₹ **10.96 crore** (previous year ₹ 33.66 crores) and ₹ **Nil** (previous year ₹ 13.88 crores) respectively for assets held for sale. The assets held for sale have been valued at lower of carrying value or net realisable value.
2. Capital work-in-progress above includes gross value of ₹ **48.62 crores** (previous year ₹ Nil) of assets held for sale and an impairment of ₹ **34 crores** (previous year ₹ Nil) have been provided during the year.
3. The figures in light print are for the previous year.

Tata Chemicals Limited

Notes forming part of the Consolidated Balance Sheet *(Contd.)*

	₹ in crores	As at 31-Mar-11 ₹ in crores
Note 14: Non-Current Investments		
Investments (At cost) :		
Trade Investments in		
(a) Equity shares fully paid (Quoted)	**113.67**	159.36
(b) Investment in associate (Quoted)	**186.12**	-
(c) Equity shares fully paid (Unquoted)	**287.65**	270.13
(d) Cumulative redeemable preference shares (Unquoted)	**20.00**	20.00
(e) Debentures and bonds	**1.04**	-
Total	**608.48**	449.49
Less : Provision for diminution in value of investments	**2.09**	2.09
	606.39	447.40

	Book Value ₹ in crores	Market Value ₹ in crores	Book Value ₹ in crores	Market Value ₹ in crores
Aggregate of Quoted Investments (net of provision)	**299.79**	**1,026.18**	159.36	1,132.20
Aggregate of Unquoted Investments (net of provision)	**306.60**	**-**	288.04	-

Note 15: Long-term loans and advances	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Unsecured - Considered Good			
(a) Capital advances	**7.77**		58.04
(b) Security deposits (deposits with government, public bodies and others)	**26.23**		53.43
(c) Advance payment of taxes (net of provision)	**178.54**		147.83
(d) Other loans and advances	**155.83**		51.43
		368.37	310.73
2. Doubtful			
(a) Advances recoverable in cash/kind	**0.44**		-
(b) Less : Provision for advances recoverable in cash/kind	**0.44**		-
		-	-
		368.37	310.73

Notes forming part of the Consolidated Balance Sheet *(Contd.)*

Note 16: Other non-current assets

	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Long-Term Trade Receivables	**164.79**	258.24
2. Foreign Currency Monetary Translation Difference Account (note 22(a))	**29.34**	-
3. Others	**6.52**	16.77
	200.65	275.01

Note 17: Current Investments

	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Current investments (Unquoted) (At lower of cost and fair value)		
(a) Fully paid Equity	**0.25**	0.25
(b) Units of mutual funds	**0.06**	0.25
(c) Investment in debentures or bonds	**2.96**	-
	3.27	0.50

Note 18: Inventories

	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Raw materials	**684.57**	502.09
2. Work-in-process	**71.43**	59.84
3. Finished goods	**378.20**	369.39
4. Stock-in-trade (acquired for trading)	**480.58**	17.03
5. Stores and spare parts, packing materials	**248.46**	197.24
	1,863.24	1,145.59

Tata Chemicals Limited

Notes forming Part of the Consolidated Balance Sheet *(Contd.)*

Note 19: Trade Receivables

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1. Over six months old from due date :			
(a) Secured, considered good	**0.11**		0.14
(b) Unsecured, considered good	**225.18**		126.41
(c) Unsecured, considered doubtful	**27.89**		33.46
	253.18		160.01
(d) Less : Provision for doubtful trade receivables	**27.89**		33.46
		225.29	126.55
2. Others :			
(a) Secured, considered good	**3.10**		11.98
(b) Unsecured, considered good	**2,082.29**		1,223.84
(c) Unsecured, considered doubtful	**6.99**		0.89
	2,092.38		1,236.71
(d) Less : Provision for doubtful trade receivables	**6.99**		0.89
		2,085.39	1,235.82
Total		**2,310.68**	1,362.37

Notes :

(a) Trade receivables include ₹ 1,166.73 crores (previous year ₹ 586.43 crores) on account of subsidy receivable from the Government.

Note 20: Cash and Cash Equivalents

	₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1 Balances with banks in			
(a) Current accounts	**689.11**		466.67
(b) Deposit accounts	**987.74**		873.44
		1,676.85	1,340.11
2. Cheques, drafts on hand		**0.14**	4.61
3. Cash on hand		**1.04**	0.32
		1,678.03	1,345.04

Notes :

(a) Earmarked balance with banks		**9.95**	9.28

Notes forming Part of the Consolidated Balance Sheet *(Contd.)*

Note 21: Short Term Loans and Advances

		₹ in crores	₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Unsecured, considered good			
	(a) Balances with government authorities		**131.87**	58.32
	(b) Advance payment of taxes (net)		**25.54**	96.20
	(c) Receivables from employees		**1.91**	0.55
	(d) Other advances			
	(i) Considered good	**327.85**		261.25
	(ii) Considered doubtful	**45.24**		45.24
		373.09		306.49
	(iii) Less: Provision for doubtful advances	**45.24**		45.24
			327.85	261.25
			487.17	416.32

Note 22: Other Current Assets

		₹ in crores	As at 31-Mar-11 ₹ in crores
1.	Foreign Currency Monetary Translation Difference Account	**52.38**	-
2.	Interest accrued on investments	**2.54**	1.10
3.	Claims receivable	**33.73**	54.05
4.	Other current assets	**74.25**	44.56
		162.90	99.71

(a) During the year ended 31st March 2012 the Company exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items have been recognised over the shorter of the loan repayment period and 31st March, 2020. The unamortised balance as at 31st March 2012 of ₹ 81.72 crores (net of tax) (previous year ₹ Nil (net of tax) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).

Tata Chemicals Limited

Notes forming Part of the Statement of Consolidated Profit and Loss

Note 23: Revenue From Operations

		₹ in crores	₹ in crores	Previous year ₹ in crores
1.	**Sales :**			
	(a) Sales (note a)		**13,894.30**	11,102.40
2.	**Operating income:**			
	(a) Town income	**2.41**		1.93
	(b) Liabilities no longer required - written back	**11.66**		31.78
	(c) Insurance claims (note b)	**12.62**		38.16
	(d) Miscellaneous income	**124.26**		94.09
			150.95	165.96
Revenue From Operations (Gross)			**14,045.25**	11,268.36

Notes :

(a) Sales include subsidy income of ₹ 2,841.04 crores (previous year ₹ 2,376.73 crores).

(b) Insurance claims includes ₹ Nil (previous year ₹ 36.09 crores) towards estimated loss of profit pertaining to Company's Fertiliser Plant at Babrala (on account of temporary disruption due to fault in Synthesis Converter in the ammonia plant up to 31st August, 2010) and ₹ Nil (previous year ₹ 2.04 crores) towards estimated claim for loss of stocks due to devastating rain fall coupled with cyclonic wind in the months of July and August 2010 in and around Mithapur plant.

Note 24: Other Income

		₹ in crores	₹ in crores	Previous year ₹ in crores
1.	**Dividend Income**			
	(a) Income from current investments	**50.35**		37.75
	(b) Income from long-term trade investments	**29.48**		26.50
			79.83	64.25
2.	**Interest Income From**			
	(a) Current investments	**22.66**		0.22
	(b) Inter-corporate loans and bank deposits	**0.09**		3.84
	(c) Other advances	**-**		7.59
	(d) Interest on refund of taxes	**13.82**		2.85
			36.57	14.50
3.	**Net Gain / Loss on Sale of Investments (net)**			
	(a) Current investments	**0.05**		0.26
	(b) Long term Investments	**51.36**		16.75
			51.41	17.01
			167.81	95.76

Note 25: Employee Benefits Expenses

		₹ in crores	Previous year ₹ in crores
1.	Salaries, wages and bonus	**752.29**	629.35
2.	Contribution to provident and other funds	**100.00**	83.72
3.	Contribution to group insurance scheme	**0.03**	0.03
4.	Workmen and staff welfare expenditure	**118.69**	106.61
		971.01	819.71

Notes forming Part of the Statement of Consolidated Profit and Loss *(Contd.)*

Note 26: Finance Costs (net)

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Interest Expenses			
(a) Debentures and fixed loans	**330.52**		299.93
(b) Other loans	**33.49**		16.28
(c) Others	**10.02**		4.18
		374.03	320.39
2. Discounting and other charges		**52.97**	30.44
		427.00	350.83

Note 27: Other Expenses

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Stores and spare parts consumed	**194.37**		157.28
2. Packing materials consumed	**310.71**		263.06
3. Power and fuel	**1,438.81**		1,177.79
4. Repairs - Buildings	**11.65**		4.65
- Machinery	**293.89**		243.39
- Others	**6.05**		5.01
5. Rent	**140.50**		116.37
6. Royalty, rates and taxes	**151.27**		122.08
7. Commission, discount and distributors' service charges	**174.77**		111.84
8. Sales promotion expenses	**132.45**		116.27
9. Insurance charges	**34.10**		25.11
10. Freight and forwarding charges	**1,367.70**		1,131.07
11. Provision for Doubtful debts and advances-written back (net)	**0.97**		(0.19)
12. Loss on assets sold or discarded	**25.94**		9.31
13. Directors' fees / commission	**8.81**		9.50
14. Other provisions (note 29(vi))	**34.12**		7.34
15. Others	**551.99**		435.00
		4,878.10	3,934.88
		4,878.10	3,934.88

Notes :

(a) Others above includes Excise duty adjustment for stocks of ₹ 1.99 crores (previous year ₹ 5.45 crores).

Note 28: Exceptional Items

	₹ in crores	Previous year ₹ in crores
1. Compensation on voluntary retirement	**19.57**	26.75
2. Impairment of Assets	**48.45**	10.08
3. Notional exchange loss on restatement of long-term borrowings	**84.34**	0.03
	152.36	36.86

Tata Chemicals Limited

Notes forming Part of Consolidated Financial Statement

Note 29:

(i) Segment Information

(a) Information about Primary Business Segments

(₹ in crores)

	Inorganic Chemicals		Fertilisers		Other Agri Inputs		Others		Elimination		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue :												
External (Net of Excise)	**6,518.24**	5,377.84	**5,547.56**	4,294.34	**1,513.42**	1,171.30	**75.89**	51.14	**-**	-	**13,655.11**	10,894.62
Inter-segment	**103.43**	41.67	**-**	-	**-**	3.13	**-**	-	**(103.43)**	(44.80)	**-**	-
Total Revenue	**6,621.67**	5,419.51	**5,547.56**	4,294.34	**1,513.42**	1,174.43	**75.89**	51.14	**(103.43)**	(44.80)	**13,655.11**	10,894.62
Result :												
Segment Result	**1,242.79**	890.20	**511.35**	428.47	**173.29**	192.20	**(102.38)**	(31.72)	**-**	-	**1,825.05**	1,479.15
Unallocated expenditure net of Unallocated income											**14.62**	7.36
Finance Costs											**427.00**	350.83
Profit before Tax											**1,383.43**	1,120.96
Tax Expense											**(343.92)**	(274.92)
Profit after Tax before Minority Interest and Share of Loss in Associate											**1,039.51**	846.04

Other Information :

(₹ in crores)

	Inorganic Chemicals		Fertilisers		Other Agri Inputs		Others		Unallocated		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Assets	**12,265.17**	10,225.62	**3,249.46**	2,290.09	**1,372.67**	1,210.19	**147.76**	151.87	**2,082.33**	1,753.22	**19,117.39**	15,630.99
Segment Liabilities	**2,678.36**	2,275.47	**1,525.74**	859.47	**369.99**	351.97	**22.05**	18.92	**7,655.17**	6,267.02	**12,251.31**	9,772.85
Capital Expenditure	**516.66**	294.98	**179.57**	139.22	**229.11**	158.44	**27.71**	19.39	**16.04**	7.52	**969.09**	619.55
Depreciation and amortisation	**335.09**	308.65	**133.71**	116.19	**28.66**	17.48	**6.28**	4.08	**4.94**	4.65	**508.68**	451.05
Impairment of assets (net of reversal)	**-**	10.08	**1.13**	-	**-**	-	**47.32**	-	**-**	-	**48.45**	10.08
Notional Exchange loss on restatement of long-term borrowings.	**-**	-	**-**	-	**-**	-	**-**	-	**84.34**	0.03	**84.34**	0.03
Non-cash Expenses other than Depreciation and impairment	**0.22**	(0.21)	**3.41**	0.02	**(3.20)**	-	**0.01**	-	**0.53**	-	**0.97**	(0.19)

(b) Information about Secondary Geographical Segments
Revenue by geographical market

(₹ in crores)

	Asia		Europe		Africa		America		Others		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
External	**9,722.14**	7,850.96	**1,456.31**	1,203.39	**191.61**	146.30	**2,179.72**	1,683.95	**105.33**	10.02	**13,655.11**	10,894.62
Segment Assets	**8,221.40**	6,355.08	**2,774.22**	2,552.95	**1,297.99**	1,081.61	**6,818.39**	5,634.25	**5.39**	7.10	**19,117.39**	15,630.99
Capital Expenditure	**704.12**	482.13	**96.54**	72.96	**50.89**	15.08	**117.54**	49.38	**-**	-	**969.09**	619.55

(c) Notes:

(i) Management has identified three reportable business segments, namely :

- Inorganic Chemicals : comprising of Soda Ash, Marine Chemicals, Caustic Soda, Cement and Bulk Chemicals and Salt.
- Fertilisers : comprising of fertilisers including Urea and Phosphatic.
- Other Agri Inputs : comprising of other Agricultural inputs.

Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.

(ii) The Segment Revenue in the geographical segments considered for disclosure is as follows :

- Asia : comprising of sales to customers located in Asia.
- Europe : comprising of sales to customers located in Europe.
- Africa : comprising of sales to customers located in Africa.
- America : comprising of sales to customers located in America.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(ii) Earnings per Share

			2011-12	2010-11
(a)	Profit after tax	₹ in crores	**837.59**	653.47
(b)	The weighted average number of equity shares of ₹ 10 each			
	Total number of shares	Nos.	**254,756,278**	250,345,319
(c)	Earning Per Share	₹	**32.88**	26.10

(iii) Related Party Disclosure

(a) Related Parties and their relationship (As identified by the Management)

Joint Ventures

Direct

Khet-Se Agri Produce India Pvt. Ltd., India

Indo Maroc Phosphore S. A., Morocco

Indirect

Alcad, United State of America

Kemex B.V., Netherlands

Joil (S) Pte. Ltd, Singapore

The Block Salt Company Limited , United Kingdom

Natronx Technologies LLC, United States of America #

Key Management Personnel

Mr. R. Mukundan, Managing Director

Mr. P. K. Ghose, Executive Director & CFO

Promoter Group

Tata Sons Limited

Arising out of acquitions during the year.

(b) Transactions with the related parties during the year ended 31st March, 2012 and balances outstanding as at 31st March, 2012

(₹ in crores)

	Indo Maroc Phosphore S.A.	Kemex B.V, Netherlands	Alcad	Khet-Se Agri produce Pvt. Ltd. India	Joil (S) Pte. Ltd, Singapore	The Block Salt Company Limited, United Kingdom	Key Manage-ment Personnel	Tata Sons Ltd	Total
Purchase of goods (includes stock in transit) - Net	**541.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**541.02**
	393.22	-	54.87	-	-	-	-	-	448.09
Sale of goods	**-**	**-**	**-**	**-**	**-**	**2.93**	**-**	**-**	**2.93**
	-	1.98	-	-	-	1.34	-	-	3.32
Interest Paid	**2.15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.15**
	0.25	-	-	-	-	-	-	-	0.25
Sale of Investments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**99.48**	**99.48**
	-	-	-	-	-	-	-	-	-
Other Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27.81**	**27.81**
	-	-	-	-	-	-	-	18.05	18.05
Amount Payable (in respect of goods purchased and other services)	**187.16**	**-**	**-**	**-**	**-**	**-**	**-**	**28.32**	**215.48**
	131.52	-	5.69	-	-	-	-	18.14	155.35
Amount receivable (in respect of loans and interest there on)	**-**	**0.28**	**-**	**-**	**-**	**-**	**0.01**	**-**	**0.29**
	-	-	-	-	-	-	0.02	-	0.02
Amount payable (in respect of loans)	**-**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**0.05**
	-	-	-	0.14	-	-	-	-	0.14
Maximum Amount outstanding during the year	**343.62**	**1.54**	**-**	**-**	**-**	**0.64**	**-**	**28.32**	**374.12**
	231.54	-	-	0.86	-	-	-	18.14	250.54
Provision for management services	**0.15**	**-**	**-**	**-**	**-**	**0.09**	**-**	**-**	**0.24**
	0.11	-	-	-	-	-	-	-	0.11
Amounts received/receivable on account of any Management Contracts including for deputation of employees	**-**	**-**	**-**	**0.13**	**-**	**-**	**-**	**-**	**0.13**
	-	-	-	-	-	0.14	-	-	0.14

Notes :

1. In addition to the above, remuneration is paid to Key Management Personnel, under their contract of employment with the Company.
2. The figures in light print are for previous year.

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(iv) Employee Benefits obligations :

(a) The Company makes contribution towards provident fund in substance a defined contribution retirement benefit plan and towards pension and superannuation fund a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

(b) The Company is also providing post retirement medical benefits to qualifying employees. Similarly the Company provides pension, housing / house rent allowance and medical benefits to retired Managing and Executive Directors.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31st March, 2012. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(c) Tata Chemicals (Europe) Holdings Limited operates pension arrangements in United Kingdom (UK) and Tata Chemicals (Africa) Holdings Limited operates pension arrangement in Africa. The UK arrangement is a defined benefit scheme and the arrangement in Africa is a defined contribution scheme.

(d) The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation. The Management is of the view that due to volatility and structure of the overseas pension funds, it is not considered practicable to adopt a common accounting policy and deviation is as permitted by AS 21. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the Consolidated Statement of Profit and Loss, the consolidated net profit before tax and net profit after tax and minority interest would have been higher/ (lower) by amounts as per table below.

(₹ in crores)

Sr. No.	Impact on :	Year Ended 31st March, 2012	Year Ended 31st March, 2011
1	Consolidated Net profit before tax	**(180.18)**	22.33
2	Consolidated Net profit after tax & minority interest	**(157.16)**	3.03

The following tables set out the funded status and amounts recognised in the Group's financial statements as at 31st March, 2012 for the Defined Benefits Plans.

(₹ in crores)

		Domestic		**Overseas**		Domestic		Overseas	
		Funded	**Unfunded**	**Funded**	**Unfunded**	Funded	Unfunded	Funded	Unfunded
(i)	**Changes in the defined benefit obligation:**	**As at 31st March, 2012**				As at 31st March, 2011			
	Projected defined benefit obligation, beginning of the year	**73.55**	**48.82**	**2,344.88**	**146.10**	71.91	45.66	2,074.55	150.74
	Current service cost	**4.66**	**0.82**	**25.66**	**1.52**	4.07	1.18	23.04	1.44
	Interest cost	**6.03**	**3.98**	**138.72**	**8.37**	5.86	3.66	121.82	8.77
	Net actuarial (gain) / loss	**4.17**	**(4.38)**	**194.13**	**2.64**	(3.29)	1.50	(4.57)	(7.41)
	Benefits paid	**(9.20)**	**(3.07)**	**(106.27)**	**(6.13)**	(6.28)	(3.18)	(93.13)	(6.50)
	Past Service Cost	**-**	**-**	**2.33**	**0.45**	0.83	-	-	-
	Exchange Variation	**-**	**-**	**336.50**	**20.99**	-	-	73.59	(0.94)
	Recognised on Acquisition	**-**	**-**	**-**	**-**	0.45	-	149.58	-
	Projected defined benefit obligation, end of the year	**79.21**	**46.17**	**2,935.95**	**173.94**	73.55	48.82	2,344.88	146.10

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(₹ in crores)

		Domestic		Overseas		Domestic		Overseas	
		Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
(ii)	**Changes in the fair value of plan assets:**	**As at 31st March, 2012**				As at 31st March, 2011			
	Fair value of plan assets, beginning of the year	**72.50**	**-**	**1,737.57**	**-**	70.50	-	1,444.81	-
	Expected return on plan assets	**5.89**	**-**	**130.13**	**-**	5.72	-	113.08	-
	Employer's contributions	**3.62**	**1.63**	**119.97**	**6.13**	6.59	3.18	71.10	6.50
	Net actuarial gain / (loss)	**0.67**	**-**	**8.04**	**-**	(4.40)	-	0.17	-
	Benefits paid	**(9.20)**	**(1.63)**	**(106.27)**	**(6.13)**	(6.28)	(3.18)	(93.13)	(6.50)
	Exchange Variation	**-**	**-**	**246.85**	**-**	-	-	51.96	-
	Recognised on Acquisition	**-**	**-**	**-**	**-**	0.37	-	149.58	-
	Fair value of plan assets, end of the year	**73.48**	**-**	**2,136.29**	**-**	72.50	-	1,737.57	-
	Liability (net) before capping adjustment	**5.73**	**46.17**	**799.66**	**173.94**	1.05	48.82	607.31	146.10
	Adjustment to cap surplus*	**-**	**-**	**-**	-	-	-	2.87	-
	Liability (net) after capping adjustment	**5.73**	**46.17**	**799.66**	**173.94**	1.05	48.82	610.18	146.10

*The Group has not recognised the actuarial surplus incase of one of its overseas subsidiaries acquired during the year, amounting to **₹ Nil** (previous year ₹ 2.87 crores) in view of the fact that it does not expect to benefit from reduced contributions or refunds from the scheme in the future.

(iii) Net employee benefit expense (recognised in Employee Cost) for the year (₹ in crores)

	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	31st March, 2012				31st March, 2011			
Current service cost	**4.66**	**0.82**	**25.66**	**1.52**	4.07	1.18	23.04	1.44
Interest defined benefit obligation	**6.03**	**3.98**	**138.72**	**8.37**	5.86	3.66	121.82	8.77
Expected return on plan assets	**(5.89)**	**-**	**(130.13)**	**-**	(5.72)	-	(113.08)	-
Net actuarial (gain) / loss recognised in the year	**3.50**	**(4.38)**	**14.89**	**-**	1.11	1.50	10.18	-
Past Service Cost	**-**	**-**	**-**	**-**	0.83	-	-	-
Net benefit expense	**8.30**	**0.42**	**49.14**	**9.89**	6.15	6.34	41.97	10.21
Net actuarial (gain) / loss recognised in reserves	**-**	**-**	**171.21**	**2.64**	-	-	(14.92)	(7.41)
Actual Return on Plan Assets	**6.56**	**-**	**138.17**	**-**	1.32	-	113.25	-

(iv) Categories of plan assets as a percentage of the fair value of total plan assets :

	Domestic %	Overseas %	Domestic %	Overseas %
	31st March, 2012		31st March, 2011	
Government Securities	**51**	**4**	54	4
Corporate Bonds	**31**	**43**	24	35
Equity Shares of Listed Companies	**5**	**41**	5	52
Insurer Managed/Hedged Funds	**-**	**-**	-	5
Others	**13**	**12**	17	4
Total	**100**	**100**	100	100

Tata Chemicals Limited

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(v) Assumptions used in accounting for gratuity and post retirement medical benefit obligations :

	Domestic		US Plans		UK Plans
	Funded	**Unfunded**	**Funded**	**Unfunded**	**Funded**
Discount rate	**8.25% to 8.60%**	**-**	**4.99%**	**4.99%**	**5.00%**
	8% to 8.5%	8% to 8.5%	5.69%	5.69%	5.50%
Expected rate of return on plan assets	**8.60% to 9 %**	**NA**	**7.25%**	**NA**	**5.50%**
	8% to 10%	NA	8.00%	NA	7.05%
Increase in Compensation cost	**7.5% for first year, 10% for second year & 7.5% thereafter**	**NA**	**Varies by plan**	**NA**	**NA**
	7.5% for 2 years, 10% for third year & 7.5% thereafter	NA	Varies by plan	NA	NA
Healthcare cost increase rate	**NA**	**NA**	**NA**	**8.50%**	**NA**
	NA	6.00%	NA	8.50%	NA
Pension increase rate	**NA**	**5.00%**	**NA**	**NA**	**2.40%**
	NA	5.00%	NA	NA	3.60%

(a) Discount rate for the domestic plans is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(b) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

(c) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

(d) The figures in light print are for previous year.

(e) The details of the Company's post-retirement and other benefit plans for its employees given above, are certified by the actuaries and relied upon by the Auditors.

(v) The proportionate share of audited assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures included in the consolidated financial statements are given below:-

(₹ in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Kemex B.V.		ALCAD		Natronx		Joil (S) Pte. Ltd		The Block Salt Company Ltd.	
Country of Incorporation	India		Morocco		Netherlands		United States of America		United States of America		Singapore		United Kingdom	
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		33.30%		33.78%		50.00%	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Liabilities	**2.35**	4.18	**83.90**	120.95	**0.42**	2.34	**6.91**	6.03	**9.53**	-	**1.73**	0.40	**1.01**	2.27
Assets	**3.38**	5.17	**264.11**	330.87	**0.77**	0.24	**9.58**	8.47	**36.22**	-	**40.36**	46.56	**2.62**	4.73
Income	**1.28**	4.76	**581.97**	447.20	**-**	0.76	**100.32**	89.71	**4.48**	-	**1.68**	0.29	**5.20**	2.21
Expenditure	**3.16**	8.01	**528.26**	410.35	**0.18**	2.09	**65.72**	58.46	**9.05**	-	**14.65**	7.53	**4.98**	2.05
Profit/(Loss) after tax														
For the year	**(1.88)**	(3.25)	**53.71**	36.85	**(0.18)**	(1.33)	**34.60**	31.25	**(4.57)**	-	**(12.97)**	(7.24)	**0.22**	0.16
Contingent Liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	4.98	**-**	-
Capital Commitments	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2.92**	15.92	**-**	-

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(vi) Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2012

The company has made provision for various obligations and disputed liabilities based on its assessment of the amount it estimates to incurre to meet such obligations, details of which are given below.

(₹ in crores)

Particular	Warranty		Site Restoration Expenses		Provision for contingencies		Others		Total	
	As at 2011-12	As at 2010-11	**As at 2011-12**	As at 2010-11	**As at 2011-12**	As at 2010-11	**As at 2011-12**	As at 2010-11	**As at 2011-12**	As at 2010-11
Opening Balance	**-**	-	**122.52**	115.18	**-**	-	**2.18**	2.18	**124.70**	117.36
Add: Provision during the year	**0.34**	-	**7.31**	16.84	**14.13**	-	**2.43**	-	**24.21**	16.84
Less: Payments / Reversal during the year	**(0.19)**	-	**(4.15)**	(9.59)	**-**	-	**-**	-	**(4.34)**	(9.59)
Add/(Less): Exchange Difference	**-**	-	**14.25**	0.09	**-**	-	**-**	-	**14.25**	0.09
Closing Balance	**0.15**	-	**139.93**	122.52	**14.13**	2.10	**4.61**	2.18	**158.82**	124.70

(vii) Derivative Instruments:

(a) As at 31st March, 2012, the Group has the following derivative instruments outstanding:

(in Million)

Particulars		**Hedged Exposure**	**Currency**	**As at 2011-12**	As at 2010-11
Foreign Currency Exchange Contracts					
	USD / INR	Foreign Currency Loans	USD	**48.73**	24.67
	USD / INR	Foreign Currency Acceptances	USD	**104.23**	115.84
	USD / JPY	Foreign Currency Acceptances	USD	**303.16**	185.87
	USD / INR	Highly Probable Forecast Transactions	USD	**0.08**	58.16
	EUR / INR	Highly Probable Forecast Transactions	EUR	**0.16**	2.60
	EUR / USD	Highly Probable Forecast Transactions	EUR	**-**	0.45
	USD / INR	External Commercial Borrowing	USD	**46.00**	71.00
	USD / INR	Foreign Currency Receivable	USD	**6.24**	Nil
	AUD / USD	Foreign Currency Receivable	AUD	**0.33**	Nil
Currency Option Contracts					
	USD / INR	Foreign Currency Receivable	USD	**-**	5.90
	USD / INR	Foreign Currency Acceptances	USD	**91.07**	Nil
	USD / INR	External Commercial Borrowing	USD	**93.00**	78.00
Commodity Forward Contracts	GBP	Fluctation in Natural Gas	GBP	**3.09**	3.09
Swaps					
Interest Rate Swap	USD	Floating Interest Rate Liabliity	USD	**1005.90**	139.74
Full Currency Swap (exchange rate / interest rate)	USD / INR	External Commercial Borrowing	USD	**121.00**	76.00
Cross Currency Swap	USD / JPY	External Commercial Borrowing	USD	**475.00**	475.00
Coupon only Swap		External Commercial Borrowing	USD	**15.00**	Nil

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

(i) Export receivables **USD 4.01 Million (₹ 20.4 crores), EUR 0.01 Million (₹ 0.07 crore) and AUD 0.55 Million (₹ 2.91 crores)** (previous year USD 13.63 million (₹ 60.79 crores), EUR 0.05 million (₹ 0.32 crore) and AUD 1.27 million (₹ 5.86 crores)).

(ii) Accounts payable **USD 23.29 Million (₹ 118.49 crores), EUR 0.07 Million (₹ 0.48 crore), AUD Nil and JPY 9.34 Million (₹ 0.58 crore)** (previous year USD 29.28 million (₹ 130.85 crores), EUR 0.11 million (₹ 0.70 crore), AUD 0.02 million (₹ 0.09 crore) and JPY 254.57 million (₹ 13.7 crores)).

(iii) Customer advances **USD Nil** (previous year USD 0.32 million (₹ 1.43 cores)).

(iv) Liability arising out of cross currency swap **USD 275.00 Million (₹ 1399.06 crores)** (previous year USD 275 million (₹ 1226.50 crores)).

(v) Packing credit **USD Nil** (previous year USD 0.82 million (₹ 3.66 crores)).

(viii) Contingent Liabilities and commitments (to the extent not provided for)

(I) Contingent Liabilities :

(a) Guarantees:

(i) Bank Guarantees issued by Banks on behalf of the Group ₹ **165.24 crores** (previous year ₹ 195.79 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.

During the previous year, a Bank Guarantee was issued by a Bank on behalf of one of the overseas subsidiary in favour of Mauritius Revenue Authorities (MRA) for MUR 3.5 million (₹ 0.56 crore) against Notice of Assessment issued by MRA against which objection are filed. In all probabilities, the management is of the opinion that the objection will be decided in favour of the said subsidiary and demand will be deleted.

(ii) Guarantees provided to third parties on behalf of subsidiaries **USD 138.30 million (₹ 703.60 crores)** (previous year USD 138.30 million (₹ 616.75 crores)).

(b) Claims not acknowledged by the Company relating to cases contested by the Company and which, in the opinion of the Management, are not likely to be devolved on the Company relating to the following areas :

(₹ in crores)

		As at 2011-12	As at 2010-11
(i)	Excise and Customs	**9.31**	79.02
(ii)	Sales Tax / VAT	**110.69**	100.23
(iii)	Demand for utility charges	**56.86**	56.83
(iv)	Labour and other claims against the Group not acknowledged as debt	**8.17**	7.99
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	**253.27**	305.07
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	**37.33**	37.33
(vii)	Uncalled partly paid shares held as investments	**-**	-
(viii)	Others	**0.42**	5.34

(c) Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.

(d) Bills discounted by subsidiaries ₹ **1.04 crores** (previous year ₹ 79.56 crores)

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(II) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **86.16 crores** (previous year ₹ 213.34 crores)

(b) Capital commitment towards investment in joint ventures ₹ **42 crores** (previous year ₹ 72 crores).

(c) During the year 2010-11, one of the subsidiary group acquired a majority of the equity shares of Metahelix Life Sciences Limited (Metahelix). Besides, the shares already acquired, it has made the following commitments:

(i) to acquire from certain shareholders (other than founder shareholders) **2,591 equity shares** (previous year 16,099 equity shares) held by them for an amount aggregating ₹ **5.07 crores** (previous year ₹ 31.49 crores);

(ii) to allow the founder shareholders, a put option exercisable over a period of **4 years** (previous year 5 years), **11,244 shares** (previous year 14,055 shares) held by them for an amount aggregating ₹ **21.99 crores** (previous year ₹ 27.49 crores);

At the end of 4 years (previous year 5 years), the subsidiary group has a call option to acquire the balance shares held by founder shareholders, at the fair market value as at the date of exercise.

(d) Estimated amount of contract with minimum commitment for plant activity ₹ **3.83 crores** (Previous Year ₹ 3.46 crores).

(e) For commitments related to leases and derivatives refer note 29 (ix) and 29 (vii) respectively.

(ix) Operating Leases :

As a lessee

(₹ in crores)

		As at 2011-12	As at 2010-11
(a)	Total of minimum lease payments	**301.70**	223.72
	The total of minimum lease payments for a period:		
	Not later than one year	**69.89**	63.79
	Later than one year and not later than five years	**213.11**	123.55
	Later than five years	**18.70**	36.38
(b)	Lease payments recognised in the statement of profit and loss for the year	**75.65**	66.75

(c) The lease deposit of ₹ **25 crores** (previous year ₹ 25 crores) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ **2.20 crores** (previous year ₹ 2.17 crores) has been charged to the Statement of Profit and Loss on the principle of matching of revenue and costs.

(d) In respect of various subsidiaries, as at 31st March, 2012 Plant & Machinery includes assets held under finance lease with a net book value of ₹ **32.29 crores** (previous year ₹ 32.83 crores) and gross book value of ₹ **51.50 crores** (previous year ₹ 40.99 crores) and vehicles includes assets purchased under hire purchase arrangements with fair value amounting to ₹ **3 crores** (previous year ₹ 3.19 crores). The future minimum lease payments under finance leases are as follows-

(i) Not later than one year - ₹ **8.32 crores** (previous year ₹ 10.35 crores).

(ii) Later than one year but not later than five years - ₹ **4.55 crores** (previous year ₹ 12.86 crores).

(iii) Later than five years - ₹ **Nil** (previous year ₹ Nil).

Tata Chemicals Limited

Notes forming Part of Consolidated Financial Statement *(Contd.)*

(x) Disclosure under Borrowing Cost Capitalised

(₹ in crores)

Particular	As at 2011-12	As at 2010-11
Borrowing costs Capitalised during the year - as fixed assets/ intangible assets/ capital work in progress	**1.41**	-

(xi) Details of unutilised amounts out of issue of securities for the specific purpose.

During 2010-11, the Company has issued Equity shares to Tata Sons Limited amounting to ₹ 363.40 crores to fund Company's various growth projects. As at 31st March, 2012, this balance of ₹ **363.40 crores** (31st March, 2011 ₹ 363.40 crores) is pending utilisation for the specified activities and this unutilised amount has been kept invested in bank fixed deposits / money market mutual funds, pending final utilisation.

(xii) For the year ended 31st March, 2012, the Company has not recognised subsidy income of ₹ 44.91 crores on Opening stock as at 1st April, 2011 of Raw Materials for Phosphatic & Potassic Fertilisers, in accordance with the Office Memorandum dated 11th July, 2011 issued by the Department of Fertilisers (DOF) which provides for the Subsidy on such Opening Stocks at old rates applicable to F.Y. 2010-11.

Based on the legal opinion made available, the said Office Memorandum is being represented against / contested. Had the Company recognised the subsidy income from sales made from such Opening Stocks as per the prevalent Nutrient Based Subsidy (NBS) policy without giving effect to the said Office Memorandum, the Sales / Income from operations and Net Profit After Tax would have been higher by ₹ 44.91 crores and ₹ 33.64 crores respectively for the year ended 31st March, 2012.

(xiii) Asterisk (*) denotes figures below ₹ 50,000.

(xiv) During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of financial statements, hence financial statements have been prepared as per notified Schedule VI. This has significantly impacted the disclosure and presentation made in the Financial statements. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the year's classification/ disclosure.

Signatures to Notes '1' to '29'

For and on behalf of the Board

Ratan N. Tata	*Chairman*
R. Gopalakrishnan	*Vice-Chairman*
Nusli N. Wadia	
Prasad R. Menon	
Nasser Munjee	*Directors*
Dr. Yoginder Alagh	
Dr. Y. S. P. Thorat	
Eknath A. Kshirsagar	
R. Mukundan	*Managing Director*
P. K. Ghose	*Executive Director & CFO*

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 30th May, 2012.

FINANCIAL STATISTICS - STANDALONE

Year	CAPITAL ACCOUNTS							REVENUE ACCOUNTS									
	Share Capital	Reserves	Borrow-ings	Capital Employed	Gross Block	Depre-ciation	Net Block	Gross Revenue	Expenses	Depre-ciation	Profit before Taxes	Taxes	Distri-butable profit for the year	Dividends (including Dividend Tax)	Earnings per Ordinary Share (Basic)	Dividend per Ordinary Share	Net Worth per Ordinary Share
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹. in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹	₹	₹
1944-45	152	8	69	229	186	7	179	16	29	—	(13)	—	—	—	—	—	8.11
1949-50	152	10	126	288	240	17	223	116	107	9	—	—	—	—	0.07	—	7.83
1954-55	192	24	86	302	315	105	210	223	191	18	14	—	14	14(a)	1.03	—	10.80
1959-60	312	64	325	701	708	207	501	351	303	21	27	1	12	19(b)	0.90	0.60	11.68
1964-65	362	220	281	863	1086	443	643	876	649	72	155	63	80	53	2.91	1.60	15.52
1974-75	994	906	1189	3089	3765	1375	2390	3464	2652	201	611	250	309	154	3.82	1.60	18.06
1979-80	994	2036	2848	5878	7480	3048	4432	5860	4421	513	926	364	434	191	5.97	2.00	31.80
1980-81	994	2681	3522	7197	8877	3544	5333	7888	6010	649	1229	370	619	214	9.16	2.25	38.70
1981-82	994	3267	4444	8705	10459	4198	6261	8350	6514	670	1166	365	601	214	8.53	2.25	44.99
1982-83 (9 Months)	1105	3982	4410	9497	11683	4758	6925	7694	6143	610	941	118	691	197	8.03	1.90	48.10
1983-84	1405	4906	6727	13038	14254	6254	8000	12610	9413	1516	1681	760	660	297	7.84	2.50	46.47
1984-85	1594	6705	11987	20286	17032	7317	9715	13570	10429	968	2173	450	1204	352	12.34	2.50	53.70
1985-86	2779	8636	12779	24194	19559	8285	11274	16746	12898	1102	2746	578	1644	684	7.96	2.50	41.76
1986-87	2719(c)	10212	21929	34860	22257	9170	13087	19354	14878	1341	3135	875	1803	683	8.30	2.50	47.55
1987-88	3717	15036	23516	42269	25991	10631	15360	23040	17875	1645	3520	800	2718	1086	7.51	3.00	51.80
1988-89	4492	21093	25850	51435	28559	12125	16434	29172	22392	1751	5029	1450	3229	1392	7.97	3.10	56.96
1989-90	4917	25926	34129	64972	35310	14017	21293	30902	23172	2056	5674	1600	3612	1475	8.29	3.00	62.73
1990-91	7375	26070	58398	91843	49989	16047	33942	35202	27354	2403	5445	1000	3945	1844	6.03	2.50	45.35
1991-92	7375	29831	62262	99468	69797	18618	51179	41204	29580	2650	8974	3000	3974	2212	8.10	3.00	50.45
1992-93	9262	41931	95966	147159	119358	21050	98308	48743	34754	2623	11366	3871	6495	2944	8.91*	3.50	54.84
1993-94	11268	71225	125245	207738	194562	22632	171930	64698	40424	2266	22008	500	16508	6385	20.21*	6.00	73.03
1994-95	11288	92630	152664	256582	209747	26717	183030	92443	59171	4601	28671	6	23165	7342	25.38	6.50	92.00
1995-96	18069	113349	154892	286310	224475	36872	187603	155565	103420	10489	41656	2200	22231	11747	21.83	6.50	72.72
1996-97	18070	125449	161606	305125	241799	47837	193962	162813	122372	11409	29032	3800	20487	12916	13.96	6.50	79.42
1997-98	18070	141396	152755	312221	260896	59053	201843	166151	121432	11513	33205	4350	28863	12916	15.97	6.50	88.28
1998-99	18070	149537	157023	324630	273995	70516	203479	150030	117432	11615	20983	2816	18167	10026	10.06	5.00	92.79
1999-00	18070	151240	137023	306313	284488	82244	202244	165882	139190	12347	14345	2616	11729	10026	6.50	5.00	93.73
2000-01	18070	176474	114627	309171	281238	92802	188436	173411	141518	13284	18609	2114	16495	9953	9.13	5.00	105.36
2001-02	18070	1370.66	106071	307638	285989	104522	181467	151605	118278	13321	20006	7324	12682	9032	7.02	5.00	84.35
2002-03	18070	145516	81626	289288	283490	115049	168441	170483	130588	13693	26202	6544	19658	11208	10.88	5.50	89.81
2003-04	21516(d)	182018	76554	324291	307025	132880	174145	272984	225961	14415	32608	10555	22053	13347	10.25	5.50	94.48
2004-05	21516	178268	132422	367544	311790	155551	156239	322515	263451	13770	45294	11239	34055	15973	15.83	6.50	92.80
2005-06	21516	195254	145449	394514	322899	167802	155097	373461	308481	13893	51087	15784	35303	17169	16.41	7.00	100.45
2006-07	21516	217768	104177	372583	332657	181183	151474	426923	348504	15035	63384	18963	44421	20133	20.65	8.00	111.07
2007-08	23406	333762	234384	619375	346082	194824	151258	484819	354233	14876	115710	20792	94918	24715	42.82	9.00	152.64
2008-09	23523	362407	367610	763842	390176	205801	184375	872402	790072	16303	66027	20822	45205	24762	19.25	9.00	164.11
2009-10	24332	403964	294651	741969	404115	221106	183009	576975	499443	18719	58813	15335	43478	25529	18.38	9.00	176.07
2010-11	25482	448586	297594@	771822	428661#	235898	192763	656776	580460	20446	55870	15021	40849	29355	16.32	10.00	186.09
2011-12	25482	476241	336709@	838521	457136#	249032	208104	842654	731772	22468	76435	17775	58660	29277	23.03	10.00	196.94

Note: (a) Including arrears of dividends on Preference Shares, (b) Including interest paid out of Capital on Ordinary Shares, (c) Reduction due to cancellation of Preference Share Capital and Issue of Non-Convertible Bonds. (d) Includes the balance lying in Share Capital Suspense Account amounting to ₹ 34.46 Crores.

* Annualised.

@ For the YE 31st March, 2012 and 31st March, 2011 Borrowings include Long-term borrowings +Short Term borrowings + Current maturity of Debt

\# For the YE 31st March, 2012 and 31st March, 2011 Gross Block includes Capital Work-in-Progress + Capital Advances

FINANCIAL STATISTICS - STANDALONE (Contd.)

EQUITY SHARES ISSUED ON CONVERSION OF BONDS/DEBENTURES

	₹ Lacs	Premium
1982-83	116	₹ 8/- per share
1983-84	300	₹ 10/- per share
1984-85/1985-89	600	₹ 30/- per share
1987-88	725	₹ 40/- per share
1987-88	725	₹ 60/- per share
1992-93	1960	₹ 40/- per share
1993-94	1960	₹ 40/- per share
2007-08	1889	₹ 220.78 per share
2008-09	117	₹ 220.78 per share
2009-10	809	₹ 220.78 per share
	9201	

RIGHTS ISSUES

		₹ Lacs
1954-55	1 for 2 at Par	48
1957-58	4 for 5 at Par	112
1961-62	1 for 5 at Prem Re. 0.5 per share	50
1972-73	1 for 5 at Prem Re. 0.5 per share	104
		314

BONUS ISSUES

		₹ Lacs
1966-67	1 for 10	30
1968-69	3 for 10	100
1970-71	1 for 5	87
1974-75	1 for 2	311
1985-86	2 for 5	777
1990-91	1 for 2	2458
1995-96	3 for 5	6777
		10540

FINANCIAL STATISTICS - CONSOLIDATED

Year	CAPITAL ACCOUNTS									REVENUE ACCOUNTS									
	Share Capital	Reserves	Minority Interest	Borrowings*	Capital Employed	Gross Block #	Depreciation	Net block #	Goodwill on Consolidation	Gross Revenue	Expenses	Depreciation	Profit before Taxes	Taxes	Minority Interest	Share of Profit/ (Loss) in Associate	Profit for the year	Earnings per Ordinary Share (Basic)	Net Worth per Ordinary Share
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹	₹
2005-06	21516	200419	-	182769	439386	540514	262573	277941	70749	425315	346846	18404	60065	17231	-	-	42834	19.91	103.11
2006-07	21516	235666	-	186420	474837	601187	295582	305605	76324	606283	504082	27388	74813	24009	-	-	50804	23.62	119.52
2007-08	23406	348439	4234	480669	890269	659278	322157	337121	464924	677783	528813	31383	117587	21147	-	-	96440	43.51	158.96
2008-09	23523	453455	15219	628381	1132638	750208	373512	376696	562128	1300712	1166716	42264	91732	15751	11171	-	64810	27.59	202.81
2009-10	24332	447310	35006	499372	1025491	799062	415966	383096	532470	983144	845176	44678	93290	20932	13114	1347	60591	25.61	193.89
2010-11	25482	519687	40645	569972	1177615	943730	494683	449047	563242	1136412	979211	45105	112096	27492	19257	-	65347	26.10	214.00
2011-12	25482	616317	44809	706073	1402861	1057808	562667	495141	635874	1421306	1232095	50868	138343	34392	19946	(246)	83759	32.88	251.93

* For the YE 31st March, 2012 and 31st March, 2011 Borrowings include Long-term borrowings +Short Term borrowings + Current maturities of Long Term Debts and Finance Lease Obligations

For the YE 31st March, 2012 and 31st March, 2011 Gross Block and Net Block includes Capital Work-in-Progress + Intangibles assets held under development + Capital Advances

Notes

Notes

TATA CHEMICALS LIMITED

Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.

ATTENDANCE SLIP

Folio No.	
DP ID	
Account ID	
No. of Shares	

I hereby record my presence at the SEVENTY-THIRD ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 3.00 p.m. on Wednesday, 22nd August, 2012.

Signature of the attending Member/Proxy	

Notes: 1. A Member/Proxyholder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

2. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.

TATA CHEMICALS LIMITED

Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.

PROXY

I/We .... of .... in the district of .... being a Member/Members of the above named Company, hereby appoint .... of .... in the district of .... or failing him .... of .... in the district of .... as my/our Proxy to attend and vote for me/us and on my/our behalf at the SEVENTY-THIRD ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 22nd August, 2012 at 3.00 p.m. and at any adjournment thereof.

Signed this .... day of 2012

Signature

Affix Revenue Stamp

Folio No.	
DP ID	
Account ID	
No. of Shares	

This form is to be used *in favour of / *against the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.

*Strike out whichever is not desired.

Note: 1. The proxy must be returned so as to reach the Registered Office of the Company, Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

2. A Proxy need not be a member of the Company.

Magadi turns 100

Old as it is, Tata Chemicals in India is among the younger entities in the Tata Chemicals group. The oldest is the erstwhile Brunner Mond, founded in the UK in 1873. And last year, Tata Chemicals Magadi (formerly Magadi Soda Company, which was set up in 1911), celebrated its centenary.

Having doubled its capacity in recent years, the challenge now is to remain cost competitive while delivering a superior product and service.

Situated 120km southwest of Nairobi, on the shores of Lake Magadi in Kajiado County, Tata Chemicals Magadi produces about 600,000 tonnes of soda ash every year, making it a significant foreign exchange earner for Kenya.

Apart from its 680 employees, the company supports a community of over 5,000 inhabitants, including family and ancillary workers. It implements education, health, water, employment, and micro-business programmes, not only for the employees and family but also for the 30,000 local residents of what is known as the Magadi division.

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TATA

TATA CHEMICALS