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TATA CHEMICALS

Sixty-first annual report 1999-2000

Tata Chemicals Limited

Board of Directors :

Ratan N. Tata (*Chairman*)
R. Gopalakrishnan (*Vice-Chairman*)
Keshub Mahindra
D. M. Ghia
Nusli N. Wadia
F. J. Heredia
R. C. Khanna
A. N. Lalbhai
Dr. Manu Seth (*Managing Director*)
Dr. D. V. Kapur
N. A. Soonawala
T. S. Srinivasan
(*Nominee of IDBI*)
G. N. Bajpai
(*Nominee of LIC*)
U. Mahesh Rao
(*Nominee of ICICI*)

Company Secretary :

S. U. K. Menon

Registered Office :

Bombay House
24, Homi Mody Street,
Fort,
Mumbai 400 001.

Share Registrars :

Tata Share Registry Limited,
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai 400 001.

Solicitors :

Mulla & Mulla and
Craigie Blunt & Caroe, Mumbai.

Auditors :

Messrs S. B. Billimoria & Co.,
Chartered Accountants

Messrs N. M. Rajji & Co.,
Chartered Accountants

Works :

Chemicals Complex and Cement Plant — Mithapur, Gujarat
Fertiliser Complex — Babrala, Dist. Badaun, U.P.
Detergent Plant — Pithampur, Dist. Dhar, Madhya Pradesh

Bankers :

Bank of Baroda
State Bank of India
State Bank of Bikaner & Jaipur
Citibank N. A.
Bank of America
HDFC Bank Limited

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present herewith the Sixty-first Annual Report with the Audited Statement of Accounts for the year ended 31 March 2000.

	(Rs. Crore)	Previous Year (Rs. Crore)
Financial Results		
2. The profit before Depreciation for the Year ended 31 March 2000 was	390.48	334.14
Deducting therefrom Depreciation of	123.47	116.15
Profit before exceptional Items was	267.01	217.99
After deducting :		
- Loss on account of cyclone/rain	—	8.16
- Compensation paid under voluntary retirement scheme	3.56	—
- Provision for contingencies	120.00	—
Profit before Tax was	143.45	209.83
Deducting therefrom Taxes of	26.16	28.16
Profit After Tax was	117.29	181.67
Adding thereto balance in Profit and Loss Account	223.08	216.67
The amount available for Appropriation was	340.37	398.34
The Appropriations are:		
(a) Interim Dividend	90.32	—
(b) Final Dividend	—	90.32
(c) Tax on Dividend	9.94	9.94
(d) General Reserve	20.00	75.00
(e) Balance Carried forward... ..	220.11	223.08
	340.37	398.34

3. The total income for the year at Rs.1660.29 crore was 10.7% higher than the preceding year on account of higher investment income and higher sales. The Gross Profit before interest, depreciation and exceptional items was Rs.576.14 crore against Rs.528.65 crore last year, an increase of 9%. The Profit Before Tax of Rs.143.45 crore was after taking into account profit on sale of shares of Rs. 79.95 crore and after setting aside a sum of Rs.120 crore as "Provision for Contingencies" for reasons explained in paragraph 7 below.

Dividend

4. An interim dividend of Rs.5 per share on the Share Capital of Rs.180.64 crore was paid in May 2000. The quantum of interim dividend at Rs.90.32 crore inclusive of tax is Rs.100.26 crore which is the same amount as paid in the preceding year by way of final dividend. Considering the need to conserve the Company's resources, the Directors do not recommend payment of any final dividend.

Retention Price

5. The results for the current year have been cast on the basis of the Provisional Retention Price for Urea declared by the Government as was done in the three preceding years 1996-97 to 1998-99. There was unfortunately little tangible progress in the fixation of the Final Retention Price during the year. Claims for escalation and input costs and interest subsidy amounting to Rs.36.62 crore have been accounted pending final issuance of Government notification in keeping with the normal industry practice.

Tata Chemicals Limited

6. In its efforts to reduce the subsidy on Urea, the Government of India now discourages the use of Naphtha as feedstock by gas based Plants and has placed severe constraints on the despatch and sale of Urea under the Essential Commodities Act. The Government has also appointed a Committee headed by Dr. Y.K. Alagh for the reassessment of Plant capacities and for determining the amounts to be recovered from Urea producers, and the method of such recovery. Pending the findings of the Committee the Government, has as an interim measure, reduced the Retention Price by reassessing the capacity of the Plant at Babrala at a level 15% higher than its design capacity. This has resulted in a reduction of the Retention Price by Rs. 463 per tonne and if maintained could result in a reduction in the profits of the Fertilizer Division by Rs. 40 crore per year. The claims for recovery from past subsidy payments cannot at present be ascertained.
7. It may be recalled that the profit on sale of Urea for the years 1994-95 and 1995-96 was computed on the basis of actual cost data submitted to the Government. Since the subsequent notified Retention Price was less than the price estimated by the Company for those years, the Company has set aside in the year 1995-96 a sum of Rs.80 crore as Contingency Reserve with a view to partially off set the unrealised profit of Rs.197 crore. The Board considered it appropriate to set aside an additional sum of Rs.120 crore by way of Provision for Contingencies out of the current year's profit.

Provisions

8. It may be recalled that the cyclone and unexpected heavy rainfall that followed it in June 1998 damaged soda ash stocks at Mithapur. In the accounts for 1998-99 the Company had made a conservative provision of Rs. 8.16 crore as the extent of actual expenses to be incurred for re-processing and product loss could be ascertained only when all the damaged product was re-processed or internally consumed. While a substantial quantity of the cyclone/rain affected stocks had since been re-processed and/or internally consumed, until the entire stocks is reprocessed and/or internally consumed, it is not possible to ascertain the actual product loss. The provision already made is, however, considered adequate to cover the actual loss.

OPERATIONS**Chemicals Division****Soda Ash and Sodium Bicarbonate**

9. The overall Soda Ash production at 7.28 lac tonnes was higher than 6.14 lac tonnes for the previous year by 18.6%. Production during the second half of the year was affected due to the frequent breakdown of a steam generating High Pressure Boiler. The marketing of Soda Ash during the year was adversely affected by the easy availability of Soda Ash and the low international prices. In order to combat the situation and to retain its market share, the Company had to reduce the sale price in April 1999. Consequently, although sales of Soda Ash was higher during the year by 18%, in value terms there was a reduction in sales realization. This resulted in severe erosion in gross margin.
10. Following representations to the authorities clearly demonstrating that low price exports, almost entirely from China, were well below the domestic Chinese prices and in some cases below even the variable cost of Chinese producers the Government, imposed anti-dumping duties on Chinese imports. The lowering of domestic prices curtailed imports of Soda Ash which were 0.51 lac tonnes in the current year compared to 1.6 lac tonnes in the previous year. Soda Ash prices worldwide have shown a declining trend and producers in the Ukraine, Romania, Bulgaria and Kenya continue to dictate pricing in the South East Asian region. As a result of the unutilized worldwide capacity, the pressure on Soda Ash prices is likely to continue for some time. A well defined programme for reduction in fixed costs and improvement in efficiencies was initiated during the year with good success.
11. The production of Sodium Bicarbonate at 38,393 tonnes was 11.9% lower than 43,594 tonnes produced during the previous year.
12. The demand for Sodium Bicarbonate continued to be affected by the closure of leather tanneries in the Southern and Eastern parts of the country mainly on environmental grounds. Consequently the sale of Sodium Bicarbonate at 35,817 tonnes was lower than 40,716 tonnes sold in the preceding year by 12%.

Chlor-Caustic

13. The production of Chlor-Caustic at 6,704 tonnes was lower by 45.7% than the preceding year due to the reduction in the availability of surplus power. Both Chlorine and Hydrochloric Acid being co-products, followed a similar trend declining by 39% and 48.5% respectively.

Vacuum Salt and Marine Chemicals

14. Despite the aggressive posture of competitors, Tata Salt continued to maintain its leadership in the branded salt market. The production of Vacuum Salt at 3.47 lac tonnes was marginally higher by 0.8 % over the production in the preceding year. The sales during the year at 3.23 lac tonnes were higher by 5.1% over the preceding year. The production and sales of other marine chemicals primarily Bromine and Bromides were somewhat lower than those of the previous year.

Raw Materials & Fuel

15. The total requirement of fuels at Mithapur was primarily met by coal and lignite. The Company continued to make efforts to reduce the cost of fuels by international spot purchases and higher reliance on the use of lignite. Consequently the CIF value of raw material and fuel imported during the year at Rs.28.55 crore declined by 36.4% compared to Rs.44.89 crore for the previous year.
16. The production of Solar Salt at 10.98 lac tonnes was marginally higher than the previous year.
17. The Chemical Works was supplied about 17.65 lac tonnes of Limestone, the bulk of which came by rail.

Steam and Power

18. The Steam and Power facilities in general worked smoothly through out the year to meet the energy requirements of the Chemical Complex. However, frequent tripping by a High Pressure Boiler in the latter part of the year adversely affected production.

Cement Division

19. Sales of the Company's Cement increased from 2.94 lac tonnes in the previous year to 3.16 lac tonnes during the current year - an increase of 7.4%. The demand for cement continued to be erratic making this a difficult year for the cement industry. Despite adverse market conditions, the average sales realization of the Company's Cement increased by 24.4 %.
20. Due to difficult market conditions and the need to replace a damaged gear the production of Cement was restricted to 3.20 lac tonnes which constituted 73% of the installed capacity. As compared to the previous year, the production during the year was higher by only 4.4%. Clinker production was affected due to Kiln stoppage during August/September 1999 for upgradation to a capacity of 2,500 tonnes per day.

Fertiliser Division

21. The Fertiliser Complex at Babrala produced 9.82 lac tonnes as compared to 8.78 lac tonnes in the previous year - an increase of 11.8%. This level of production represents 132% of installed capacity. Sales of Urea at 9.64 lac tonnes was higher by 4.2% as compared to the previous year. Year end stocks of Urea, at 22,677 tonnes were higher due to restriction on allocations under Essential Commodities Act.
22. The Plant was shut down for annual turn-around maintenance for 18 days in April 1999 and the Plant has been functioning at full capacity thereafter. Gas availability during the year was substantially better which resulted in reduction in Naphtha requirements.

PROJECTS

Modernization Programme at Mithapur

23. The Company has to date spent Rs.249.27 crore on the Modernization Programme and at the end of the year committed an additional sum of Rs. 4.60 crore bringing the total expenditure and commitment to Rs. 253.87 crore. The important achievement during the year was the mechanical completion of a new Vacuum Salt Plant (co-producing water). Among other Projects completed during the year were installation of a sea water pumping system, installation of Chlorine Storage Tank and conversion of a boiler to lower emission. Continuous trials are also being taken on the new Effluent Solid Filtration Plant.

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24. Projects in progress include recovery of Light Basic Magnesium Carbonate, and installation of Dust Extraction systems.

Fertiliser Division Projects

25. The Company has made progress in setting up additional Tata Kisan Kendras to provide farmers with a complete package of agricultural inputs and impart them knowledge and training on improved farm practices, The initial operation of the Centres has been found to be very encouraging. The progress on land acquisition for additional centres continues to be slow mainly on account of legal hurdles relating to ceiling on holding agricultural land.
26. The capital works in progress at Babrala amounted to Rs.28.13 crore of which Rs. 27.80 crore was on account of additions to the township, central workshops, school building and various plant modifications and enhancements.

Corporate Expenditure

27. The Company made rapid progress in the implementation of software for Enterprise-wide Resource Planning (ERP). All operations at Mithapur, Babrala and Mumbai are now using the new ERP which include most activities of production, sales and distribution, maintenance and project management.

CORPORATE AFFAIRS**Finance**

28. During the year under review, the Company repaid long term loans from Banks and Financial Institutions aggregating Rs.122.50 crore and met its redemption obligations on Non-Convertible Debentures (7th series, 8th Series, 16th series and 17th series) aggregating Rs.128.95 crore. In order to conserve/retain long term funds for meeting the Company's on-going requirements, the Company availed of fresh loans from State Bank of India and PICUP aggregating Rs.63.75 crore and made an issue of 13.25% Non-Convertible Debentures (19th series) aggregating Rs.150 crore on private placement basis. As a result, there was a net reduction of Rs.36.29 crore in the long term borrowings during the year.
29. With a view to reduce its interest burden the Company raised a sum of Rs.153.98 crore through sale of investments and utilized the proceeds to reduce short term borrowings. At the same time vigorous efforts were also made to economize on utilization of Working Capital which resulted in a reduction in debtors by Rs.69.64 crore.
30. The Company invested a sum of Rs.19.85 crore by availing of Rights offers of shares by Tata Industries Ltd. and ACC Ltd. during the year.

Y2K Compliance

31. As a result of comprehensive planning and vigorous implementation of various schemes for Y2k compliance, the Company did not encounter any breakdown or other problems and all its operations continued in an uninterrupted manner during the year.

Tata Business Excellence Model

32. The Company has continued with its programme for improving organizational performance in its unending search for excellence. The Company was qualified for ISO 9002 quality procedures and work on obtaining ISO 14001 Certification for environmental management systems is in hand. External Audit has been conducted for ISO 9002 certification for all the facilities at Mithapur.
33. In order to enhance the overall organizational performance, the Company has been following the Tata Business Excellence Model. Tata Quality Management Services (TQMS) trained over a dozen internal assessors who conducted the assessment of all the aspects of the Company's business covered by the Excellence Model. There has been some improvement in the Company's performance. Areas of further improvement have been identified and appropriate action plans are being developed.

Corporate Governance

34. With a view to benchmark the Company's practices and policies with those followed in other reputed companies, and in order to establish better standards of corporate governance and improved transparency, the Board of

Directors have constituted several committees, viz., Audit Committee, Remuneration Committee and a Committee of the Board to review business strategies and plans.

35. The Internal Audit Department, which monitors the effectiveness of the internal control and systems, reports its important findings to the Audit Committee. This Committee, which during the financial year 1999-2000 comprised of three independent Directors, has been expanded with the induction of two additional members since the close of the year. The Audit Committee reviews the audit plans, observations and reports of the internal audit department and follows up the implementation with necessary corrective action. It also oversees the Company's financial reporting processes and the disclosures made in the financial statements and ascertains from the Company's statutory auditors their views as to the adequacy of internal control systems. The recommendations of the Audit Committee are submitted to the Board of Directors.
36. The Securities and Exchange Board of India, vide an amendment to the Listing Agreement, has now directed listed Companies to follow a uniform Code of Corporate Governance which also includes disclosures in the Annual Report. Whilst the Company is in compliance with most of the requirements prescribed on Corporate Governance, initiatives have been taken to ensure that the Company is fully compliant with the Corporate Governance Code well before the schedule of implementation i.e. March 31, 2001.

Voluntary Retirement Scheme

37. With a view to bringing about rationalization and streamlining the manpower requirements, a Voluntary Retirement Scheme (VRS) was introduced during September 1999 at Mithapur with the active co-operation of the recognised Union. About 1,067 employees at Mithapur availed of the generous package offered to them. A sum of over Rs.53 crore was paid by way of compensation. This is expected to result in a saving of Rs. 13 crore per annum in the wage bill yielding a pay back period of four years.

Industrial Relations

38. Relations with all the employees, including the recognised Unions were, in general, cordial and a congenial atmosphere prevailed. The Company continued and completed successfully its literacy programme for semi-skilled and unskilled workers at Mithapur which includes imparting of technical training.

Rural Development and Social Welfare

39. During the year under review, the Company continued to support and execute community development programmes through the aegis of the Tata Chemicals Society for Rural Development. Water harvesting structures and check dams were constructed as part of the Watershed Development Project. As has been done in the past, the Company responded to the severe drought situation by supplying water to several villages in co-ordination with Government agencies and also provided infrastructure support to cattle camps.
40. At Babrala, a land reclamation project continued to check the alkaline and salinity in uncultivable land. Quality seeds were distributed and loans arranged for farmers to enable them to afford the inputs. Projects were implemented for water supply, electrification and construction of brick paved tracks in nearby villages.

SABRAS INVESTMENT AND TRADING COMPANY LIMITED

41. The Directors' Report and Audited Statement of Accounts for the year 31 March 2000 of the Company's 100% Subsidiary, Sabras Investment and Trading Company Limited is appended to the Report. The subsidiary Company declared a Dividend of Rs.200 per share as compared to Rs.20 per share in the previous year.
42. Your Directors consider it prudent to merge Sabras Investment and Trading Company with Tata Chemicals Limited during the current year. Shareholders' consent for this proposal will be sought at a separate Extra Ordinary General Meeting to be convened by the High Court.

DIRECTORS

43. Your Directors deeply regret the sudden and tragic passing away of Mr. D.S. Seth, Chairman Emeritus of the Company on 8 December 1999. Mr. Seth was associated with the Company and with the House of Tatas for a period of five decades and rendered yeomen services to the Group during that time.
44. Your Directors also mourn the passing away of Mr. Harshavadan Mangaldas, who was Director of your Company for 33 years .

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45. In accordance with the requirement of the Companies Act, 1956, and the Company's Articles of Association, Mr. R.N. Tata, Mr. Keshub Mahindra and Mr. N.A. Soonawala Directors of the Company, are due to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

46. The information required under Section 217(2A) of the Companies Act, read with Companies (particulars of employees) Rules, 1975 (as amended) forms part of this report. The matters specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable to the Company are incorporated in this Report.

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

47. The information required under section 217(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars) in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

AUDITORS

48. The shareholders are requested to appoint Auditors for the current year and fix their remuneration as detailed in the requisite Resolution and the relative Explanatory Statement. Messrs S.B. Billimoria & Company and Messrs N.M. Rajji & Company, the existing Auditors, have, under Section 224(1B) of the Companies Act, 1956, furnished certificates of their eligibility for the appointment. The appointment, if approved, will have to be made by a Special Resolution as required by Section 224A of the Act.

EMPLOYEES STOCK OPTION SCHEME

49. Attention of the shareholders is also invited to Item No. 6 of the Notice of the Annual General Meeting setting out the material facts of the proposed Employees Stock Option Scheme.

ACKNOWLEDGEMENTS

50. The Directors wish to place on record their appreciation of the Financial Institutions, Banks, Central and State Governments for their continued cooperation and support, and of all employees for their unstinting efforts.

By Order of the Board of Directors

R. N. TATA
Chairman

Mumbai, 31 May, 2000

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

ANNEXURE TO THE DIRECTORS' REPORT
(UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956)

Disclosures

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken:

- New make up water plant commissioned
- Conversion of Ignifluid boiler to Atmospheric Fluidized bed combustion completed
- Expansion of the Clinker capacity at Mithapur Cement Plant completed. The modified and new equipment use energy efficient mechanisms
- Energy Management System for High Tension Motors commissioned

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

- Equipment and piping for using low pressure steam at the new Make up Water Plant
- Fluidized bed kiln for 500 TPD Lime

(c) Impact of of the measures at (a) and (b) for reduction of energy Cosumption and consequent impact on the cost of Production

- Increase in Condensate generation capacity
- Enhanced production capacities
- Enhanced power generation due to use of low pressure steam at the new Make up Water Plant
- Reduced steam consumption at Ammonia stills of the Soda Ash Plant due to the use of powdered lime
- Improved control over the power distribution network.

Tata Chemicals Limited
(d) Total Energy Consumption per Unit of production as per Form A :
Form A

Our 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 tabulation

POWER & FUEL CONSUMPTION

	Current Year (1999-2000)	Previous Year (1998-99)
1. Electricity		
(a) Purchased		
Unit (Mwh)	230	3,481
Total Amount (Rs. Crores)	0.18	1.45
Avg. Rate (Rs./Mwh)	7,875.90	1,300.00
(b) Own Generation		
(i) Through diesel generators (Mwh)	1.32	—
(ii) Through Steam Turbine/Generator Unit(Mwh)	3,55,943	3,43,188
Steam Produced (Tonnes)	37,67,591	32,91,106
Total value of Electricity & Steam (Rs. crores)	136.85	115.35
(iii) Through Gas Turbine		
Units (Mwh)	1,61,544	1,55,609
Steam Produced (Tonnes)	13,11,595	13,31,057
Total Value of Steam & Power (Rs. Crores)	91.45	113.16
2. Coal (Specify quality and where used)		
Mostly we receive and use "C" and "D" grade Coal and "A" grade Lignite in our Boilers.		
Qty. (Tonnes)	6,47,355	5,61,405
Total Cost (Rs. Crores)	103.17	92.90
Avg. Rate (Rs/Tonne)	1,593.79	1,654.86
3. Natural Gas		
Purchased (SCM)	24,75,38,789	21,99,21,977
Total Cost (Rs. Crores)	99.12	76.89
Average Cost (Rs./SCM)	4.00	3.49
4. Naphtha		
Purchased (KL)	27,514	39,321
Total Cost (Rs. Crores)	20.74	22.65
Average Cost (Rs./KL)	7,537.15	5,760.28

CONSUMPTION PER UNIT OF PRODUCTION

Products	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	1999-2000	1998-99	1999-2000	1998-99
Soda Ash	135.57	155.67	3.27	3.42
Sodium Bicarbonate	86.19	82.44	1.00	0.90
Caustic Soda	2,840.57	2,880.86	1.90	1.11
Vacuum Evaporated Salt	66.49	67.71	1.79	1.93
Cement	130.32	114.75	—	—
Urea	70.03	73.00	1.09	1.26
Ammonia	163.62	181.00	0.43	0.45

A. TECHNOLOGY ABSORPTION

Form B

Research and Development (R&D)

1. Specific areas in which R&D is carried out by the Company:
 - Development of new products
 - Lime optimization studies at the Soda Ash Plant

2. Benefits derived as a result of above R & D
 - Low Lime consumption at the Soda Ash Plant
 - New Product -Light basic Magnesium Carbonate - Plant under implementation
 - New Product -Sodium Sesquicarbonate developed

3. Future plan of action
 - Continued R &D efforts to attain objectives of cost reduction, energy conservation, waste utilization, value addition, environmental improvement and efficient management of water

4. Expenditure on R&D: Rs.

(a) Capital	12,99,44,335
(b) Recurring	2,55,02,732
(c) Total	15,54,47,067
(d) Total R&D Expenditure as a percentage of total turnover	1.03%

Technology Absorption, Adaptation & Innovation :

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation:
 - Commissioning of the expanded Cement Plant with high efficiency cooler, Alkali bypass, Drier Crusher

2. Benefits derived as a result of the above efforts
 - * Higher Clinker production

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3. Imported Technology

(a) Technology imported	NIL
(b) Year of Import	N A
(c) Has technology been fully absorbed?	N A
(d) If not fully absorbed, reasons and future course of action	N A

A FOREIGN EXCHANGE EARNINGS AND OUTGO

	Rs. Crores (1999-2000)	Rs. Crores (1998-99)
1. Foreign Exchange Earned:		
Export of Goods on FOB basis	5.46	2.05
2. Outgo of Foreign Exchange:		
Value of imports (CIF)		
(a) Raw Materials and Fuels	28.55	44.89
(b) Stores, Components and Spare Parts	6.28	4.64
(c) Capital Goods	11.92	1.94
3. Expenditure in Foreign Currencies	3.23	6.02
4. Remittance of Dividends - Gross	0.41	0.52



ANNEXURE TO DIRECTORS' REPORT

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31 March, 2000.

Name	Remuneration Received Rs.	Net Remuneration Rs.	Designation & Nature of Duties	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Particulars of last employment Employer, last post and period for which post held.
1	2	3	4	5	6	7	8	9
Bahl B. R.	9,27,026	5,99,546	Company Secretary	B.A.(Com.),L.L.B., ACIS(Lon), FCS, FCCA (Eng.&Wales) FIAM	35	16/05/88	63	Kesar Enterprises Ltd.- Financial Controller-3 Years
Chinoy B. P.	7,96,218	5,24,125	Controller of Finance	B.Com(Hons), LLB, A.C.A.	34	06/05/82	57	Tata Mills Ltd.- Finance Manager-10 Years
Damodaran V. P.	8,24,337	5,31,334	President-Fertiliser Division	D.M.E.	37	15/04/64	57	Kerala Govt. Polytech instructor-1 Year
Ganapathy S.	8,36,800	5,15,361	President-Fertiliser Division	B.Sc.(Tech),(Chem.Engg.), M.S.(Chem Engg) USA	39	03/07/62	62	Travancore Titanium Prod.Ltd.- Trainee-10 Months
Gandhi D. V.	6,24,838	4,26,791	Corporate-Accounts Manager	B.Com., A.C.A.	20	03/04/89	41	Ambalal Sarabhai Enterprises Ltd.- Manager Accounts-5 Years
Garg K.	6,17,789	4,42,341	Marketing-Manager Cement	B.Com, (Hons.), M.B.A.	20	13/05/96	43	J.K.Cement. Sr.Manager - Marketing-3 Years
Gondhalekar V. K.	9,30,660	5,86,922	Vice President-Purchase	M.A.	42	01/07/59	64	LIC of India- Asst P & S Dept.- 1 Year
Gotla F. M.	7,89,181	5,08,506	Marketing-Manager Chemicals	B.Sc.	41	17/10/60	61	Association of Indian Trade & Ind Statistical Asst- 1 Yr 6 Months
Hariharaswamy M.	6,44,629	4,02,215	Vice President Production	B.Sc.	40	24/06/60	61	-
Kalani S. C.	7,85,604	5,33,220	Manager-Taxation, Insurance & Funds	B.com., A.C.A., Inter C.S.	21	12/11/86	47	Ambalal Sarabhai Enterprises Ltd. Tax Executive- 2 Yrs. 10 Months
Kaul R. L.	9,22,424	5,76,497	President-Chemicals Division	B.A., B.Sc(Mech Engg.), F.I.E. Chartered Engg.)	36	04/04/70	60	Hukumchand Jute Mills Ltd.- Mechanical Engineer-4 Years
Mehan K.	6,47,897	4,07,535	Vice President - Sales & Marketing	P.G.D.M., (I.I.M.A.)	20	05/02/96	41	Rallis India-G M Fertilizer- 15 Years
Menon S. U. K.	8,27,435	5,06,396	Vice President - Finance and Company Secretary	B.Com., L.L.B., A.C.S.	31	01/04/89	55	Tata Fertiliser Ltd.- Company Sec-2 Years
Parekh P. J.	7,47,817	4,76,827	Vice President - Urea	B.E. (Mech)	23	11/06/77	57	Standard Alkali-Asst. Engg.
Rao M. V.	6,72,731	4,63,958	Manager-Cement	B.E.(Mech.), C.Eng., (I)MSEI, MIE, FIPE, FIE	31	15/06/77	53	Madras Cement Ltd. - Project Engineer - 6 Years 3 Months
Seth Dr. Manu	41,13,768	21,63,645	Managing Director	Ph.D. (Chem Engg.)	21	01/03/85	48	Royal Dutch/Shell Group of Cos. Dev. Officer. Hydro Products Manufacturing Division-4 Years
Thanawalla J. D.	7,82,718	5,14,842	Corporate-Accounts Manager	B.Com., F.C.A.	36	15/01/75	61	Siraz Medical Centre-Iran- Asst Business Director- 1 Year
Vaidya A. M.	9,81,741	6,34,378	Vice President - Soda Ash.	M.Chem. Engg., M.S.	30	06/05/72	55	Uni-Dept. of Chem Tech- Associated Lecturer-2 Years

- NOTES : (1) "Remuneration Received" includes salary and allowances for the year, Company's contribution to Provident Fund, Superannuation Fund and commission and taxable value of perquisites wherever applicable.
- (2) "Net remuneration" is arrived at by deduction from the gross remuneration, income tax, Company's contribution to Provident Fund, Superannuation Fund and the monetary value of non-cash perquisites.
- (3) All the employees have adequate experience to discharge the responsibilities assigned to them.
- (4) No employee is a relative of any director of the Company.

On behalf of the Board of Directors

Mumbai - 31 May, 2000.

R. N. TATA
Chairman

Tata Chemicals Limited
SUMMARISED BALANCE SHEET AS AT 31 MARCH, 2000

	As at 31-3-2000 Rs. in crores	As at 31-3-1999 Rs. in crores
WHAT THE COMPANY OWNED:		
1. Fixed Assets		
Gross Block (Original cost including Capital Works-in-Progress)	2844.88	2739.95
Less: Depreciation	822.44	705.16
Net Block	2022.44	2034.79
2. Investments	208.44	262.58
3. Net Current Assets	778.48	946.72
4. Miscellaneous Expenditure	53.77	2.21
5. Total Assets (Net)	<u>3063.13</u>	<u>3246.30</u>
WHAT THE COMPANY OWED:		
1. Borrowings from Institutions, Banks and others	1370.03	1570.23
2. The Company's Net Worth (Shareholders' Equity)	1693.10	1676.07
Represented by		
i. Share Capital Rs. 180.70 crores (Previous Year Rs. 180.70 crores)		
ii. Reserves Rs. 495.37 crores (Previous Year Rs. 1413.96 crores)		
3. Total (Capital employed)	<u>3063.13</u>	<u>3246.30</u>
Debt/Equity Ratio	0.81:1	0.94:1

SUMMARISED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2000

	As at 31-3-2000 Rs. in crores	As at 31-3-1999 Rs. in crores
1. Income		
Sales and operating Income	1521.01	1464.12
Investment Income	117.36	14.14
Interest on refund of taxes	21.92	22.04
Total	<u>1660.29</u>	<u>1500.30</u>
2. Expenditure		
Raw materials, stores, wages and other expenses	1084.15	971.65
Depreciation	123.47	116.15
Interest	185.66	194.51
Total	<u>1393.28</u>	<u>1282.31</u>
3. Profit before Exceptional Items	267.01	217.99
3. Exceptional Items	123.56	8.16
5. Profit before taxes	143.45	209.83
6. Taxes	26.16	28.16
7. Profit after taxes	117.29	181.67
8. Balance Brought Forward	223.08	216.67
9. Amount available for Appropriations	<u>340.37</u>	<u>398.34</u>
10. Appropriations		
(a) Interim Dividend	90.32	—
(b) Tax on Interim Dividend	9.94	—
(c) Proposed Dividend	—	90.32
(d) Tax on Proposed Dividend	—	9.94
(e) General Reserve	20.00	75.00
(f) Balance carried to Balance Sheet	220.11	223.08
Total	<u>340.37</u>	<u>398.34</u>
Ratios:		
Net Profit to Total Income	7.1%	12.1%
Return on Capital employed	10.7%	12.4%
Net Earnings per Ordinary Share	Rs. 6.50	Rs. 10.06

AUDITORS' REPORT

TO THE MEMBERS OF TATA CHEMICALS LIMITED

We have audited the attached Balance Sheet of TATA CHEMICALS LIMITED as at 31st March, 2000 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

- 1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph (1) above:-
 - (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 appears from our examination of the books;
 - (c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956, except for our comments in para (e) (iii) below;
 - (e) reference is invited to Note no .9 of the Balance Sheet and Profit and Loss Account regarding:
 - i) revenue recognised for Urea from 1996-97 and onwards on the basis of the provisional Retention Price notified;
 - ii) pending fixation of the final Retention Price by the Government no adjustment is made for Rs.77 crores (Rs. 197 crores less Rs. 120 crores provided during the year) recognized in the past years as indicated in Note no. 9 (a);
 - iii) claims for escalation in input costs and interest subsidy amounting to Rs.36.62 crores net of settlements as indicated in note 9 (c) is accounted pending final issuance of Government notification; and the consequential impact of (i), (ii) and (iii) above, on the Profit for the year and the Reserves cannot be ascertained on account of the uncertainties associated with the fixation of the final Retention Price.

Subject to para (e), in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the Notes, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000;

and

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

For S. B. BILLIMORIA & CO.
Chartered Accountants

For N. M. RAIJI & CO.
Chartered Accountants

S. J. MERCHANT
Partner

A. R. GANDHI
Partner

Mumbai, 31 May, 2000

Tata Chemicals Limited

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 1 of our Report of even date.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. According to the information and explanations given to us, the company has formulated a regular programme of verification by which all the assets of the company shall be verified over a period of four years, which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. So far as we are able to ascertain, no serious discrepancies were noticed on verification conducted during the year as compared with the book records.
2. None of the fixed assets has been revalued during the year.
3. The Company has a perpetual inventory system in respect of stores and spare parts. Most of the items of finished goods and raw materials have been physically verified during the year by the Management. In our opinion, the frequency of verification of stocks is reasonable except for the cyclone / rain damaged stocks which have not been physically verified.
4. The procedure of physical verification of stocks followed by the Management is generally reasonable but there is scope for improvement in this area in the Chemicals Division.
5. The discrepancies noticed on verification between the physical stocks and the book records (except the stock of materials affected on account of cyclone/rain) were not significant in relation to the size and nature of operations of the Company and the same have been properly dealt with in the books of account. The management has represented that the provision made for the loss, on an estimated basis, in the last year's account on account of stock of materials affected by cyclone/rain is adequate. We are unable to express an opinion on the extent of discrepancy, if any, between the physical stocks and the book records in respect of cyclone / rain affected stocks.
6. In our opinion, the valuation of the stocks is fair and proper in accordance with normally accepted accounting principles. The valuation is on the same basis as in the previous year but for inclusion of excise duty payable on finished goods lying in bonded warehouses in terms of Accounting Standard 2 which however has no impact on Profit for the year and on reserves as at 31 March, 2000 .
7. In our opinion, the rate of interest and the terms and conditions on which loans have been obtained from companies, firms or other parties listed in the register maintained under Section 301, wherever applicable, are prima facie not prejudicial to the interest of the Company. In terms of sub section (6) of Section 370 of the Companies Act, 1956, the provisions of the sub section (1B) dealing with companies under the same management are not applicable to a company on or after 31 October , 1998.
8. In respect of advances made by the Company to its subsidiary company and to companies listed in the Register maintained under Section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of the loans are prima facie not prejudicial to the interest of the Company. In terms of sub section (6) of Section 370 of the Companies Act, 1956, the provisions of the sub section (1B) dealing with companies under the same management are not applicable to a company on or after 31 October ,1998.
9. In respect of loans and advances in the nature of loans, given by the Company, the principal amounts are generally being repaid as stipulated and payment of the interest where stipulated is also regular.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements

entered in the Register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.50,000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services, where such market prices are available with the Company or the prices at which transaction for similar goods, or services have been made with other parties.

12. As explained to us, the Company has a regular procedure for determination and write-off of unserviceable or damaged stores and raw materials and adequate provision has been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. According to the information and explanations given to us, the Company has no significant realizable by-products.
15. In our opinion the Internal Audit System is generally commensurate with the size of the Company and the nature of its business.
16. The Central Government has prescribed under Section 209(1)(d) of the Companies Act, 1956, maintenance of cost records in respect of Cement, Caustic Soda, Soda Ash, Methyl Bromide, Ammonia and Urea. We have broadly reviewed the books of account maintained and in our opinion, the prescribed accounts and records have prima facie been maintained by the Company.
17. According to the records of the Company, Provident Fund dues have been regularly deposited during the accounting period with the appropriate authorities and there are no arrears of Provident Fund dues as at 31 March, 2000. The Company has obtained exemption from the provisions of the Employees State Insurance Scheme for most of its Divisions and for others regular payments are being made.
18. There were no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty and excise duty for a period more than six months from the date they become payable.
19. Based on our examination of the books of account and other records and the information and explanations given to us, there are no personal expenses charged to Revenue Account other than payments made under service contract obligations with employees or in accordance with accepted business practices.
20. The Company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For S.B. Billimoria & Co.
Chartered Accountants

For N.M. Raiji & Co.
Chartered Accountants

S. J. MERCHANT
Partner

A. R. GANDHI
Partner

Mumbai, 31 May, 2000.

Tata Chemicals Limited

BALANCE SHEET AS AT 31ST MARCH, 2000

Sources of Funds	Schedule	Page	Rupees in Crores	Rupees in Crores	As at 31.3.1999 Rupees in Crores
1. SHARE CAPITAL	A	24		180.70	180.70
2. RESERVES AND SURPLUS	B	24		1,512.40	1,495.37
3. TOTAL SHAREHOLDERS' FUNDS				1,693.10	1,676.07
4. LOANS :-					
(a) SECURED	C	25	940.87		1,065.56
(b) UNSECURED	D	27	429.16		504.67
				1,370.03	1,570.23
5. TOTAL FUNDS EMPLOYED				3,063.13	3,246.30
Application of Funds					
6. FIXED ASSETS	E	27			
(a) Gross Block			2,732.52		2,485.33
(b) Less : Depreciation			822.44		705.16
(c) Net Block			1,910.08		1,780.17
(d) Capital Work-in-Progress			112.36		254.62
				2,022.44	2,034.79
7. INVESTMENTS	F	28		208.44	262.58
8. NET CURRENT ASSETS	G	30			
(a) Current Assets, Loans and Advances ..			1,172.93		1,199.59
(b) Less : Current Liabilities and Provisions			394.45		252.87
				778.48	946.72
9. MISCELLANEOUS EXPENDITURE	H	31		53.77	2.21
10 TOTAL ASSETS (Net)				3,063.13	3,246.30
(Contingent liabilities and Notes on page 32)					

As per our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

For N.M.Raiji & Co.
Chartered Accountants

For and on behalf of the Board
R. N. TATA

Chairman

R. GOPALAKRISHNAN

Vice-Chairman

KESHUB MAHINDRA
NUSLI N. WADIA
R. C. KHANNA
N. A. SOONAWALA

U. MAHESH RAO
D. M. GHIA
T. S. SRINIVASAN

Directors

S. J. MERCHANT
Partner

A. R. GANDHI
Partner

S. U. K. MENON
VP Finance & Company Secretary

M. SETH
Managing Director

Mumbai, 31 May, 2000

Mumbai, 31 May, 2000



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

	Schedule	Page	Rupees in Crores	Rupees in Crores	Rupees in Crores	Previous Year Rupees in Crores
Income						
1. SALES AND OPERATING INCOME	1	20		1,521.01		1,464.12
2. INVESTMENT INCOME	2	20		117.36		14.14
3. INTEREST ON REFUND OF TAXES				21.92		22.04
4. TOTAL INCOME				1,660.29		1,500.30
Expenses						
5. MANUFACTURING AND OTHER EXPENSES	3	21		1,088.49		978.68
6. INTEREST (See note 8, page 34)						
(a) On Debentures and Fixed Loans			172.03			172.60
(b) On Other Loans			13.63			21.91
7. DEPRECIATION				185.66		194.51
				123.47		116.15
8. Less : EXPENDITURE TRANSFERRED TO CAPITAL ACCOUNT				1,397.62		1,289.34
				4.34		7.03
9. TOTAL EXPENSES				1,393.28		1,282.31
Profit before Exceptional Items				267.01		217.99
10. DAMAGE DUE TO CYCLONE/RAINS				—		8.16
11. COMPENSATION UNDER VOLUNTARY RETIREMENT				3.56		—
12. PROVISION FOR CONTINGENCIES (See note 9 (a) page 34)				120.00		—
				123.56		8.16
Profit before Tax				143.45		209.83
12. TAX				26.16		28.16
Profit after Tax				117.29		181.67
13. BALANCE BROUGHT FORWARD				223.08		216.67
14. AMOUNT AVAILABLE FOR APPROPRIATIONS				340.37		398.34
15. APPROPRIATIONS :						
(a) Interim Dividend				90.32		—
(b) Tax on Interim Dividend				9.94		—
(c) Proposed final dividend				—		90.32
(d) Tax on Proposed final dividend				—		9.94
(e) General Reserve				20.00		75.00
(f) Balance carried to Balance Sheet				220.11		223.08
				340.37		398.34

(Notes on page 32)

As per our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

For N.M.Raiji & Co.
Chartered Accountants

S. J. MERCHANT
Partner

Mumbai, 31 May, 2000

A. R. GANDHI
Partner

For and on behalf of the Board
R. N. TATA

R. GOPALAKRISHNAN

Chairman

Vice-Chairman

KESHUB MAHINDRA
NUSLI N. WADIA
R. C. KHANNA
N. A. SOONAWALA

U. MAHESH RAO
D. M. GHIA
T. S. SRINIVASAN

Directors

S. U. K. MENON
VP Finance & Company Secretary
Mumbai, 31 May, 2000

M. SETH
Managing Director

Tata Chemicals Limited
SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
Schedule 1 : Sales and Operating Income
 (Item No. 1 , page 19)

	Rupees in crores	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1. Sales			1,513.42	1,453.09
2. Operating Income:				
(a) Interest (Gross) (tax deducted at source Rs. 0.21 crores ; Previous Year Rs. 0.28 crores)				
(i) On Inter-corporate Loans / Deposits	0.51			0.74
(ii) On Loan to Subsidiary Company	0.15			0.33
(iii) On Sundry Advances, etc.	0.81			0.99
		1.47		2.06
(b) Town Income		0.62		0.49
(tax deducted at source Rs. 0.01 crore ; Previous Year Rs. 0.01 crore)				
(c) Miscellaneous Income		5.50		8.48
			7.59	11.03
			1,521.01	1,464.12

Schedule 2 : Investment Income
 (Item No. 2 , page 19)

	Rupees in crores	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
(A) Income from Long Term Investments (Gross)				
(a) On Trade Investments				
(i) Dividend Income	19.47			11.89
(ii) Dividend from Subsidiary Company ..	17.60			1.76
		37.07		13.65
(b) On Other Investments				
(i) Interest Income		*		—
			37.07	13.65
(B) Income from Current Investments (Gross) (tax deducted at source Rs. Nil ; Previous Year Rs.0.09 crores)				
(i) Dividend Income			0.34	0.49
(C) Profit on Sale of Long Term Investments			79.95	—
			117.36	14.14

* Value below Rs. 50,000

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)

Schedule 3 : Manufacturing and Other Expenses (Item No. 5 , page 19)

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1. Raw Materials Consumed			
(a) Stock on 1 April, 1999	61.82		72.16
(b) Add : Purchases and cost of materials	287.32		230.98
	349.14		303.14
(c) Less : Stock on 31 March, 2000	46.29		61.82
		302.85	241.32
2. Payments to and Provisions for Employees			
(a) Wages and Salaries (including Bonus)	43.36		48.63
(b) Company's Contribution to Provident, Superannuation and Gratuity Funds	7.79		7.49
(c) Company's Contribution under Group Insurance Scheme	0.24		0.17
(d) Workmen and Staff Welfare Expenditure ...	8.99		8.49
		60.38	64.78
3. Operation and Other Expenses			
(a) Stores, Spare Parts, Loose Equipment and Tools Consumed	122.97		99.86
(b) Power and Fuel	223.43		192.95
(c) Repairs to Buildings	4.31		4.10
(d) Repairs to Machinery	25.05		31.67
(e) Rent	2.50		1.99
(f) Royalty, Rates and Taxes	4.82		2.50
(g) Commission and Distributors' Service Charges / Discount	85.61		33.43
(h) Sales Promotion Expenses	17.87		3.91
(i) Insurance Charges	15.80		16.96
(j) Freight and Forwarding Charges	48.17		68.54
(k) Lease Rent	34.48		43.42
(l) Loss on Assets sold or discarded	1.14		2.09
(m) Establishment and Other Expenses	51.90		41.42
(n) Prior Years' Adjustments - Net	1.62		(0.15)
		639.67	542.69
4. Excise Duty		96.36	105.28
5. Directors' Fees/Commission		0.23	0.24
		1,099.49	954.31
6. Change in inventory of Semi Finished and Finished Products			
(a) Opening Stock	68.40		100.93
(b) Less : Damage due to cyclone/rains	—		8.16
	68.40		92.77
(c) Less : Closing Stock	79.40		68.40
		(11.00)	24.37
		1,088.49	978.68

Tata Chemicals Limited

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)

Schedule 4 :

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for remuneration to Directors.

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1. Profit as per Profit and Loss Account (before Taxes)		143.45	209.83
Add :			
2. Depreciation	123.47		116.15
3. Directors' Remuneration, Commission & Fees	0.49		0.49
4. Provision for doubtful debts and advances	1.83		4.63
5. Profit on sale of Investments	(79.95)		—
6. Loss on Assets sold or discarded	1.14		2.09
7. Compensation under Voluntary Retirement	3.56		—
8. Provision for Contingencies	120.00		—
		170.54	123.36
		313.99	333.19
Less :			
9. Depreciation under Section 350		214.75	246.94
10. Loss on Assets sold or discarded		1.14	2.09
11. Net Profit in accordance with Section 349 of the Companies Act, 1956		98.10	84.16
12. Maximum amount permissible for the Managing Director under Section 309 of the Companies Act, 1956.		4.91	4.21
Commission restricted to		0.11	0.15
13. Commission to Directors (maximum permissible 1%)		0.98	0.42
Commission restricted to		0.10	0.08

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)

Notes on the Profit and Loss Account	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1 Item 2(c) of Schedule 1			
Miscellaneous Income Rs. 5.50 crores (Previous Year Rs. 8.48 crore) include :			
Gains (net) due to exchange rates		0.09	0.08
2 Items 2, 3 and 5 of Schedule 3			
Payments to and Provisions for Employees, Operation and Other Expenses and Directors' Fees/ Commission includes remuneration to Managing Director :			
(a) Remuneration		0.22	0.20
(b) Commission		0.11	0.15
(for computation see Schedule 4, page 22)			
(c) Estimated value of benefits in cash or in kind		0.04	0.05
		0.37	0.40
3 Item 3(m) of Schedule 3			
Establishment and Other Expenses Rs. 51.90 crores (Previous Year Rs.41.42 crores) include:			
(a) Premium on Redemption of Debentures		—	0.33
(b) Auditors' Remuneration			
(i) For Services as Auditors [includes Rs.1,05,850 to cost Auditors; (Previous Year Rs. 1,58,850)]	0.17		0.18
(ii) For Tax Matters	0.03		0.02
[includes Tax Audit fees Rs.0.02 crore (Previous Year: Rs.0.02 crore)]			
(iii) For Other Services	0.09		0.02
(iv) Reimbursement of travelling and out-of-pocket expenses	0.01		*
		0.30	0.22
(c) Research & Development Expenses		2.55	1.46
(d) Contribution to Electoral Trust.			
The objects of the Trust <i>inter alia</i> includes holding by the Trustees of "distribution funds" for distribution to political parties		0.25	—
4 Item 3(n) of Schedule 3			
Prior Years' Adjustments include :			
(a) Manufacturing Expenses		0.57	(0.82)
(b) Sales Promotion and Establishment Expenses		(0.34)	1.06
(c) Refund of Insurance Premium		0.48	(0.42)
(d) Depreciation		—	0.11
(e) Other items		0.91	(0.08)
		1.62	(0.15)
* Value below Rs. 50,000			

Tata Chemicals Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET
Schedule A : Share Capital
 (Item No. 1 , page 18)

	Rupees in crores	As at 31-3-1999 Rupees in crores
1. Authorised 20,00,00,000 Ordinary Shares of Rs.10 each	200.00	200.00
	<u>200.00</u>	<u>200.00</u>
2. Issued 18,07,24,971 Ordinary Shares of Rs.10 each	180.72	180.72
	<u>180.72</u>	<u>180.72</u>
3. Subscribed 18,06,38,651 Ordinary Shares of Rs.10 each	180.64	180.64
Of the above Shares		
(i) 37,000 Ordinary Shares of Rs.10 each were allotted as fully paid-up pursuant to a contract without payment being received in cash.		
(ii) 10,54,02,144 Ordinary Shares of Rs.10 each were issued as fully paid-up Bonus Shares by Capitalisation of Rs.92.97 crores from Share Premium Account and Rs. 12.43 crores from General Reserve.		
(iii) 42,49,864 Ordinary Shares of Rs.10 each allotted as fully paid-up to the Shareholders of erstwhile Tata Fertilisers Ltd., pursuant to the Scheme of Amalgamation		
4. Forfeited Shares Amount paid-up on 86,320 shares	0.06	0.06
	<u>180.70</u>	<u>180.70</u>

Schedule B : Reserves and Surplus
 (Item No. 2 , page 18)

	Rupees in crores	Rupees in crores	As at 31-3-1999 Rupees in crores
1. Capital Reserve Balance as per last account		0.66	0.66
2. Surplus On Amalgamation Balance as per last account		20.75	20.75
3. Share Premium Balance as per last account		156.71	156.71
4. General Reserve			
(a) Balance as per last account	768.71		693.71
(b) Add : Transferred from Profit and Loss Account	20.00		75.00
		<u>788.71</u>	<u>768.71</u>
5. Debenture Redemption Reserve Balance as per last account		245.46	245.46
6. Contingencies Reserve Balance as per last account		80.00	80.00
7. Balance in Profit and Loss Account		220.11	223.08
		<u>1,512.40</u>	<u>1,495.37</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Schedule C : Loans — Secured (Item No. 4(a), page 18)

	Rupees in crores	Rupees in crores	Rupees in crores	As at 31-3-1999 Rupees in crores
1. Debentures :				
(a) 35,61,888 - 17.5% Mortgage Debentures Seventh Series (1999) face value of Rs. 100 each, redeemable at a premium of 5% on 9 May, 1999		—		35.62
(b) 10,00,000 - 19% Mortgage Debentures Eighth Series (1999) face value of Rs. 100 each, redeemable at a premium of 5% on 19 August, 1999.....		—		10.00
(c) 1,49,88,711 - 12.5% Partly Convertible Debentures Twelfth Series (2001) (Non-Convertible portion) face value of Rs. 50 each redeemable at par on 1 February, 2001 or at the option of the Company at any time after 1 February, 1998.		74.94		74.94
(d) 45,82,242 - 12.5% Partly Convertible Debentures Thirteenth Series (2001) (Non-Convertible portion) face value of Rs. 75 each, redeemable at par on 1 February, 2001 or at the option of the Company at any time after 1 February, 1998.		34.37		34.37
(e) 1,40,00,000 - 17% Debentures Sixteenth Series (2000) face value of Rs 100 each. Debentures of face value aggregating Rs. 100 crores and Rs. 40 crores are redeemable at par in three equal annual instalments commencing 31 March, 2000 and 26 June, 2000 respectively.		106.67		140.00
(f) 50,00,000 - 12.5% Debentures Seventeenth Series (1999) face value of Rs. 100 each, redeemable at par on 10 July, 1999.....		—		50.00
(g) 20,000 - 14% Debentures Eighteenth Series (2001) face value of Rs. 1,00,000 each, redeemable at par in three equal annual instalments commencing 7 August, 2001		200.00		200.00
(h) 300 - 13.25% Debentures Nineteenth Series (2003) face value of Rs 50,00,000 each, redeemable at par in three equal half yearly instalments commencing 1 September, 2003		150.00		—
			565.98	544.93
2. Loans :				
(a) From Banks :				
i. Cash / Packing credits	37.62			126.02
ii. Term Loans	57.48			48.96
		95.10		174.98
(b) Term Loans from Financial Institutions		279.79		345.65
			374.89	520.63
			940.87	1,065.56

Tata Chemicals Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**Notes:****Secured Loans**

- A. The Debentures under items 1 (c) and (d) are secured by a charge on the assets of the Fertiliser Complex at Babrala by way of mortgage by deposit of Title Deeds and hypothecation of movable assets as may be decided by the Company in consultation with the Debenture Trustees, *pari passu* with charges created/to be created in favour of financial institutions and banks for term loans obtained from them.
- B. The Debentures under item 1(e) are secured by equitable mortgage of immovable assets of the Company and further secured by hypothecation of all movable properties of the Company subject to prior charge created in favour of Company's bankers for securing working capital borrowings.
- C. The Debentures under item 1 (g) are secured by way of :
- (a) Legal Mortgage in English form of all freehold pieces of Land hereditaments and premises, situated at Mithapur together with all buildings, structures, factory, construction and all fixed plant and machinery or any fixtures or fittings annexed to the same.
 - (b) The whole of the moveable properties of the Company including moveable plant and machinery, both present and future, situate at its Babrala and Mithapur Plants
 - (c) All other assets of the Company both present and future including uncalled capital, goodwill and undertaking of the Company.
- D. The Debentures under item 1 (h) are secured by way of first mortgage and charge on the Company's immovable and movable properties at Mithapur and Babrala.
- E. Loans from Banks on Cash/Packing Credit Accounts under item 2(a)(i) are secured by hypothecation of all stocks of Raw Materials, Finished Products, Stores and Stock-in-Process as well as Book Debts.
- F. The Term Loans from Banks and Financial Institutions under item 2 includes Rs. 270 crores which are secured by first mortgage on all immovable properties, both present and future, pertaining to Fertiliser Complex at Babrala and the first charge by way of hypothecation of all movables at Babrala, subject to the prior charge created in favour of Banks on inventories and book debts for working capital facilities, *pari passu* with the charges created in favour of the Debenture Trustees. Item 2(b) includes Rs.52.34 crores being interest free loan under Sales Tax Deferment Scheme which is secured by second charge on Company's properties at Babrala.
- G. The Term Loans from Financial Institutions included under item 2(b) amounting to Rs.14.93 crores are secured by a first mortgage of immovable assets pertaining to the Cement Division at Mithapur, both present and future, and a first charge by way of hypothecation of all movable assets, pertaining to the Cement Division, subject to the prior charge created in favour of banks on inventories and book debts for securing working capital facilities.

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Schedule D : Loans — Unsecured (Item No. 4(b), page 18)

	Rupees in crores	Rupees in crores	As at 31-3-1999 Rupees in crores
1. Fixed Deposits		0.16	0.17
2. Short Term Loans			
(a) From Banks	180.00		160.00
(b) From others	49.00		214.50
		229.00	374.50
3. Commercial Paper Issued		200.00	130.00
		429.16	504.67

Schedule E : Fixed Assets (Item No.6, page 18)

Fixed Assets (At Cost)	Gross Block as on 1/4/99 Rs. in crores	Additions/ Adjustments Rs. in crores	Deductions/ Adjustments Rs. in crores	Gross Block as on 31/3/2000 Rs. in crores	Depreciation for 1999-2000 Rs. in crores	Total Depreciation 31/3/2000 Rs. in crores	Net Block as on 31/3/2000 Rs. in crores
1. Lands :							
(a) Freehold	2.90	2.17	—	5.07	—	—	5.07
	2.43	0.47	—	2.90	—	—	2.90
(b) Leasehold	14.71	—	—	14.71	0.17	1.02	13.69
	14.53	0.18	—	14.71	0.17	0.85	13.86
2. Works :							
(a) Saltworks, Reservoirs and Pans	20.53	1.16	—	21.69	0.39	16.93	4.76
	19.81	0.72	—	20.53	0.50	16.54	3.99
(b) Plant and Machinery	2,095.79	232.89	8.57	2,320.11	109.46	714.37	1,605.74
	1,988.51	122.33	@ 15.05	2,095.79	@@ 102.02	610.66	1,485.13
(c) Traction Lines and Railway Sidings	15.87	1.25	—	17.12	0.83	7.44	9.68
	15.87	—	—	15.87	0.83	6.61	9.26
(d) Buildings	124.94	15.34	1.94	138.34	4.06	24.98	113.36
	116.17	8.77	—	124.94	4.05	20.94	104.00
3. Town	129.04	2.45	—	131.49	2.14	14.35	117.14
	124.06	8.83	# 3.85	129.04	2.44	12.24	116.80
4. Water Works	8.60	0.14	—	8.74	0.27	6.53	2.21
	8.39	0.21	—	8.60	0.13	6.26	2.34
5. Furniture, Fitting and Office Equipment	35.01	2.56	0.02	37.55	2.97	14.99	22.56
	31.60	3.42	0.01	35.01	2.49	11.97	23.04
6. Vehicles	37.94	0.51	0.75	37.70	3.18	21.83	15.87
	38.59	1.13	1.78	37.94	3.52	19.09	18.85
	2,485.33	258.47	11.28	2,732.52	123.47	822.44	1,910.08
	2,359.96	146.06	20.69	2,485.33	116.15	705.16	1,780.17
Capital Works-in-progress (incl. advances for Capital Expenditure)				112.36	—	—	112.36
				254.62	—	—	254.62
				2,844.88	123.47	822.44	2,022.44
				2,739.95	116.15	*705.16	2,034.79

NOTES: 1. * Depreciation provided upto 31 March, 1999
Less : Adjustment in respect of Assets sold or discarded

Add : Provision for the year

- 705.16**
6.19
698.97
123.47
822.44
2. # Includes Rs 0.03 crores towards sale of the residential flat (written down value Rs 89,000) to a Hindu Undivided Family, the karta of which is an Ex-Managing Director of the Company under and pursuant to an option to purchase the flat conferred on the HUF in an agreement of 1982 between the Company and the HUF.
The substantive transaction relating to the option and the sale was conferred in 1965 when the karta was an executive and not a Director of the Company. The sale deed has been confirmed and ratified by the Board.
3. @ Includes liability of Rs 14.52 crores as the same is no longer payable.
4. @@ Net of accumulated depreciation of Rs 2.26 crores on the above liability.
5. Freehold land includes Rs 0.18 crores in respect of land under mutation.
6. The Figures in light print are for Previous Year.

Tata Chemicals Limited
SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)
Schedule F : Investments

(Item No. 7, page 18)

	Face Value Rupees	Holding	Book Value Rupees in crores	Book Value Rupees in crores	Holding	As at 31-3-1999 Rupees in crores
LONG TERM INVESTMENTS						
1. In Shares & Debentures of Companies :						
A. Trade Investments :						
Quoted Equity Shares, Fully paid :						
(a) Associated Cement Companies Ltd. (Previous Year face value Rs 100 per share, 5,64,258 shares purchased and 22,56,000 shares sold during the year)	10	5,65,288	6.88		2,25,703	31.17
(b) Rallis India Ltd.	10	5,60,000	16.88		5,60,000	16.88
(c) Tata Finance Ltd.	10	—	—		23,82,500	7.16
(d) Tata Investment Corporation Ltd. ..	10	—	—		6,93,246	1.13
(e) Tata Iron and Steel Company Ltd. #	10	14,45,000	35.13		14,45,000	35.13
(f) Tata Tea Ltd.	10	23,52,179	10.76		23,52,179	10.76
(g) Timex Watches Ltd.	10	—	—		5,00,000	0.50
(h) Titan Industries Ltd.	10	14,30,580	19.68		14,30,580	19.68
				89.33		122.41
Unquoted Equity Shares, Fully paid :						
(a) Associated Building Co.Ltd.	900	550	0.02		550	0.02
(b) Tata Cellular Ltd@ (Formerly Tata ... Communications Ltd.)	10	10,00,000	1.00		10,00,000	1.00
(c) Tata Industries Ltd.	100	20,94,172	20.98		4,19,724	4.24
(d) Tata International Ltd.	1,000	20,000	2.60		20,000	2.60
(e) Tata Projects Ltd.	100	22,500	0.26		22,500	0.26
(g) Tata Services Ltd.	1,000	900	0.09		900	0.09
(f) Tata Share Registry Ltd.	100	19,500	0.33		19,500	0.33
(h) Tata Sons Ltd. (3,412 bonus shares received during the year)	1,000	10,237	56.87		6,825	56.87
(i) Tata Teleservices Pvt Ltd. ##	10	20,00,200	2.00		20,00,200	2.00
(j) Varuna Investments Ltd.	100	6,30,643	6.31		6,30,643	6.31
In Subsidiary Company :						
(k) Sabras Investment and Trading Co. Ltd.	100	8,80,088	20.20		8,80,088	20.20
				110.66		93.92
Listed but not quoted Preference Shares, Fully paid :						
(a) Tata Finance Ltd. (10% Cumulative Convertible Preference Shares)	100	2,38,250		2.38	2,38,250	2.38
Unquoted Preference Shares, Fully paid :						
(a) Varuna Investments Limited (10% Cumulative Redeemable Preference Shares)	100	—	—		37,83,858	37.84
(b) Tata Sons Limited (10% Cumulative Redeemable Preference Shares)	1,000	27,200	2.72		27,200	2.72
				2.72		40.56
Carried Forward				205.09		259.27

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Schedule F : Investments (Contd.)
(Item No. 7, page 18)

	Face Value Rupees	Holding	Book Value Rupees in crores	Book Value Rupees in crores	Holding	As at 31-3-1999 Rupees in crores
Brought Forward				205.09		259.27
B. Other Investments :						
Quoted Equity Shares, Fully paid :						
(a) ICICI Ltd.	10	15,000		0.02		—
Unquoted Debentures, Fully paid :						
(a) 12.5% Fully Convertible Debentures of ICICI Ltd.	450	—		—	500	0.02
(Converted into 15,000 equity shares during the year)				205.11		259.29
CURRENT INVESTMENTS						
In Units of Unit Trust of India :						
Unquoted :						
(a) Units (1964 Scheme)	10	23,92,715	3.15		23,63,892	3.11
(b) Units (1964 Scheme) in compliance with Rule 3A of Companies (Acceptance of Deposits) Amendment Rules, 1978.....	10	1,19,000	0.18		1,19,000	0.18
		25,11,715		3.33	24,82,892	3.29
				208.44		262.58

Notes :

- | | Book Value Rupees in crores | Market/Repurchase Price Rupees in crores | Book Value Rupees in crores | Market/Repurchase Price Rupees in crores |
|--|-----------------------------|--|-----------------------------|--|
| (1) Aggregate of Quoted Investments : | 89.35 | 133.30 | 122.41 | 196.61 |
| (2) Aggregate of Unquoted Investments : | 113.38 | — | 134.50 | — |
| (3) Aggregate of Investments listed but not quoted | 2.38 | — | 2.38 | — |
| (4) Units of Unit Trust of India | 3.33 | 3.60 | 3.29 | 3.67 |

Shares allotted against exercise of rights attached to naked warrants, can be sold/transferred after 25 November 2000.

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

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

Since all investments other than units of Unit Trust of India are considered as Long Term Investments, any diminution in value thereof is considered to be of a temporary nature and is, therefore, not provided for.

Tata Chemicals Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Schedule G : Net Current Assets (Item No. 8, page 18)	Rupees in crores	Rupees in crores	Rupees in crores	Rupees in crores	As at 31-3-1999 Rupees in crores
1. Current Assets, Loans and Advances :					
(a) <i>Income Accrued on Investments</i>			—		1.76
(b) <i>Inventories :</i>					
(i) Stores and Spare Parts at cost		142.53			125.23
(ii) Loose Plant, Tools and Equipment		0.15			0.10
(iii) Stock-in-Trade :					
(as valued and certified by the Management)					
(a) Raw Materials at Cost		46.29			61.82
(b) Semi-Finished Products at cost or net realisable value whichever is lower .		1.48			0.95
(c) Finished Products at cost or net realisable value whichever is lower .		* 77.92			67.45
* includes excise duty Rs 7.67 crores (see note 6, page 34)			268.37		255.55
(c) <i>Sundry Debtors :</i>					
(unsecured and considered Good unless otherwise stated)					
(i) Over Six Months Old :					
Considered Doubtful	7.42				5.59
Others	240.78				256.68
		248.20			262.27
(ii) Others		292.45			346.19
		540.65			608.46
Less : Provision for Doubtful Debts		7.42			5.59
			533.23		602.87
[Including subsidy receivable of Rs. 264.31 crores (Previous Year Rs. 312.91 crores) on Urea under the Retention Price Scheme]					
(d) <i>Interest Concession receivable under the Retention Pricing Scheme for Urea</i>			24.86		22.77
(e) <i>Cash and Bank Balances :</i>					
(i) Cash on Hand		0.12			0.13
(ii) Balance with Scheduled Banks in Current Accounts		6.68			10.15
			6.80		10.28
(f) <i>Loans and Advances :</i>					
(Unsecured and Considered Good)					
(i) Deposits with Public Bodies		23.09			11.58
(ii) Advance to Subsidiary		—			1.38
(iii) Advance Payment of Taxes		242.10			215.10
(Net of Provision)					
(iv) Other Advances *		74.48			78.30
			339.67		306.36
Carried forward				1,172.93	1,199.59

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Schedule G : Net Current Assets (Contd.) (Item No. 8, page 18)	Rupees in crores	Rupees in crores	Rupees in crores	Rupees in crores	As at 31-3-1999 Rupees in crores
Brought forward				1,172.93	1,199.59
<i>Less :</i>					
2. Current Liabilities and Provisions :					
(a) Current Liabilities :					
(i) Sundry Creditors		148.06			121.17
(ii) Dividend Warrants posted but not encashed		3.84			3.39
(iii) Sundry Deposits		1.79			1.45
(iv) Interest Accrued but not due :					
(a) On Secured Loans	23.47				19.14
(b) On Unsecured Loans	2.69				2.96
		26.16			22.10
			179.85		148.11
(b) Provisions :					
(i) Proposed Dividend		90.32			90.32
(ii) Tax on Proposed Dividend		—			9.94
(iii) Provision for Leave encashment		4.28			4.50
(iv) Provision for Contingencies		120.00			—
			214.60		104.76
				394.45	252.87
3. Net Current Assets				778.48	946.72

* Other Advances include loans to Officer of the Company **Rs. 5,28,795** (As at 31 March, 1999 Rs. 5,14,195), maximum balance due during the year **Rs. 5,35,803** (Previous year Rs. 5,32,670)

Schedule H : Miscellaneous Expenditure
(Item No. 9, page 18)
(to the extent not written off or adjusted)

	Rupees in crores	As at 31-3-1999 Rupees in crores
(a) Share Issue Expenses	0.17	0.20
(b) Preliminary Expenses	0.15	0.18
(c) Deferred Revenue Expenses	53.45	1.83
	53.77	2.21
	53.77	2.21

Tata Chemicals Limited

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**1. Significant Accounting Policies :****(a) General**

The accounts of the Company are prepared under the Historical Cost Convention using the accrual method of accounting.

(b) Capital Expenditure

Fixed Assets are carried at cost less depreciation. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets upto the date of commissioning of the assets and other incidental expenses incurred upto that date.

Fixed Assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in project cost.

(c) 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.

(d) Foreign Currency Transactions

(i) Purchases and sales in foreign currency are accounted at exchange rates prevailing on the date of transaction. Current assets and liabilities in foreign currency as at the Balance Sheet date are re-converted at rates prevailing at the year end and the resultant net gains or losses are adjusted in the accounts.

(ii) Term loans in foreign currency for financing capital expenditure are accounted at rupee equivalent values on the date of loan disbursement. Differences arising on conversion of year end balances and on repayment are adjusted to the cost of fixed assets and resultant cost of asset is depreciated over the remaining specified life of the relevant assets.

(e) Investments

Long term investments are carried at cost. Current investments are carried at lower of cost and fair value. Profit/Loss on sale of investments is computed with reference to average cost of investments.

(f) Inventories

Raw Materials, Stores, Spare parts, Loose plant, tools and equipment are valued at cost. Finished products and stock-in-process are valued at lower of cost or market/net realisable value (Provisional Retention Price, in case of Urea). The cost of inventories are worked out using weighted average cost formula. Provision is made in respect of non-standard and obsolete items.

(g) Miscellaneous Expenditure

(i) Capital Issue and Preliminary Expenses are charged to revenue on a deferred basis. Advertisement Expenses incurred for promotion of Detergent are deferred over the period of expected benefits therefrom.

(ii) Compensation paid to employees who have opted for retirement under voluntary retirement scheme is amortised over a period of 48 months.

(h) Sales

Sales are recognised, net of returns, on despatch of goods to customers and are reflected in the accounts at gross realisable value i.e. inclusive of excise duty. In respect of Urea, sales are recognised at Provisional Retention Price, escalation claims and equated freight under the Retention Pricing Scheme.

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

(i) **Other Income**

Income from investments and interest are accounted on accrual basis.

(j) **Research & Development Expenses**

Revenue expenditure pertaining to the Research and Development is charged to Profit and Loss Account; capital expenditure on Research and Development is capitalised.

(k) **Depreciation**

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

- (i) in respect of assets acquired prior to 31 March, 1987, in accordance with circular no. 1/86 dated 21 May, 1986 of the Department of Company Affairs ; and
- (ii) in respect of assets acquired after 01 April, 1987, at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 as amended, except for catalysts and temporary structures in the Fertiliser Plant and membrane cells in the Caustic Soda Plant which have been depreciated on the basis of useful life as technically assessed.

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

(l) **Retirement Benefits**

Retirement benefits are dealt with in the following manner:

- (a) Contribution to Provident Fund and Superannuation Fund are accounted on accrual basis with corresponding contribution to recognised funds.
- (b) Provision for Gratuity liability is made on the basis of actuarial valuation, with corresponding contribution to recognised fund.
- (c) Provision for value of unutilised leave due to employees is made on the basis of actuarial valuation.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. 11.57 crores** (Previous Year Rs. 17.47 crores)

3. **Claims not acknowledged by the Company :**

(a) **By Income tax authorities ;**

- (i) Pending before Appellate authorities in respect of which the Company is in appeal **Rs. 378.12 crores** (Previous Year Rs. 349.31 crores) including Rs. 150.02 crores i.e. Rs. 239.62 crores - 89.60 crores referred to in Note No.7 (c). (Previous Year Rs.177.17 crores)
- (ii) Decided in Company's favour by Appellate authorities and Department is in further appeal. **Rs. 123.83 crores** (Previous Year Rs. 49.71 crores).

(b) **By others -**

- (i) On Revenue Account **Rs. 30.58 crores** (Previous Year Rs.14.72 crores) Net of Tax - **Rs.18.81 crores** (Previous Year Rs.9.05 crores).
- (ii) On Capital Account **Rs. 10.44 crores** (Previous Year Rs.12.32 crores)

Tata Chemicals Limited

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

4. **Contingent Liabilities for :**
- (a) Cheques purchased by Banks Nil (Previous Year Rs. 1.84 crores)
 - (b) Bank Guarantees issued by Banks on behalf of the Company **Rs.17.02 crores** (Previous Year Rs.20.52 crores)
 - (c) Others **Rs. 5.10 crores** (Previous Year Rs. 6.38 crores)
5. Future lease rent payable for Captive Power Plant at Babrala is **Rs. 27.39 crores** (Previous year Rs. 61.87 crores)
6. In terms of Accounting Standard 2 (AS-2) on valuation of inventory, excise duty on the goods lying in bonded warehouse aggregating Rs.7.67 crores has been provided and included in valuation of inventory. However there is no effect on profit for the year or reserves as at 31st March 2000 on account of this change.
7. (a) The provision for taxation for the year has been determined on the basis of Section 115JA of the Income Tax Act 1961.
- (b) Provision for Taxation includes **Rs. 0.06 crore** for Wealth Tax (Previous Year Rs. 0.06 crore).
- (c) The Company follows the practice of capitalising in its books of account interest on borrowings attributable to capital expenditure for the period upto the date on which the asset has been put to use. However, for tax purposes, the Company treats all interest on borrowings as deductible expenditure and provision for taxation is being made on such basis.

However, while passing the assessment order for the financial years 1991-92 to 1996-97, the Assessing Officer has taken a different view. He also did not allow depreciation on the amount of interest disallowed even though the relevant assets have been put to use. This has resulted in a demand of **Rs.239.62 crores**. (Previous year 215.50 crores)

The Company has filed appeals against the said Assessment Orders. For the financial years 1991-92 and 1992-93, the Appellate Tribunal & CIT (Appeals) respectively have upheld Company's contention and demand is reduced by Rs.89.60 crores.No provision has been made in books of accounts for the said amounts in view of favourable Appellate decisions.

8. Interest is net of amount capitalised and interest concession under the Retention Pricing Scheme (R P S) for Urea as under:

	1999-2000 (Rs. in crores)	1998-99 (Rs. in crores)
(a) Interest on Debentures and Fixed Loans Capitalised	15.58	19.95
(b) Interest concession under R P S for Urea	5.38	8.87
	<u>20.96</u>	<u>28.82</u>

9. (a) Urea is under the Retention Pricing Scheme of the Government of India. Pending fixation of final Retention Price by the Government, the revenue for the years 1994-95 and 1995-96 was recognised based on Actual Cost Data submitted to FICC. The subsequent notified provisional Retention Price was less than the price estimated by the Company but no adjustment has been made in the Accounts for the profit booked for the years 1994-95 and 1995-96 of Rs.197 crores. In the Accounts for 1995-96 the Company had set aside Rs.80 crores as a Contingencies Reserve with a view to partially offset this unrealised profit of those two years pending a review of our claims by the authorities and also against some tax disputes on other issues. The Directors consider it appropriate to set aside an additional sum of Rs.120 crores by way of provision for contingencies out of the current year's profit.

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (*Contd.*)

- (b) The accounts for the current year are prepared on the basis of provisional Retention Price notified by the Government on the same basis as adopted from the year 1996-97 onwards. However, the Government is in the process of formulating a new fertiliser pricing policy and the impact of this on the price of urea is indeterminate.
- (c) In addition, a sum of **Rs. 36.62 crores** (Previous Year Rs. 31.25 crores) net of settlements, including **Rs. 1.45 crores** for the current year, being claims for escalation in input costs and interest subsidy in terms of pricing policy are accounted pending final issuance of Government notifications/decision on interest subsidy.
10. **Rs. 1.15 crores** (net) (Previous Year Rs. 6.22 crores) has been capitalised consequent to the conversion of value of foreign currency loans for acquiring fixed assets, at the year end exchange rates, including on repayment of such loans.
11. The Charge in favour of the Company's bankers by way of hypothecation of stocks also covers the guarantees executed by bankers on behalf of the Company in the normal course of business.
12. The wage agreement entered into with the recognised union, Chemical Kamdar Sangh has expired on 31st December 1998. The Company has received new charter of demands. No provision has been made in the accounts towards any liability that may arise on reaching final settlement with the Union as the amount cannot be ascertained.
13. (a) Sundry Creditors include dues to Small Scale Industrial Undertakings **Rs. 3.09 Crores** (Previous Year Rs. 0.73 crore)
- (b) The Small Scale Industrial undertakings to whom amount outstanding for more than 30 days, where such dues exceed Rs.1 lakh, are as follows:
Ercon Composites
Ronak Industries

Tata Chemicals Limited

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

14. Licensed and installed capacities :

	As at 31-3-2000		As at 31-3-1999	
	Licensed Capacity Tonnes	*Installed Capacity Tonnes	Licensed Capacity Tonnes	*Installed Capacity Tonnes
Soda Ash	10,00,000	8,75,000	10,00,000	8,75,000
Sodium Bicarbonate	72,000	50,000	72,000	50,000
Sodium Bicarbonate IP/USP	3,600	3,600	3,600	3,600
Caustic Soda	36,000	36,000	36,000	36,000
Fusite	N. A.	1,500	N. A.	1,500
Liquid Chlorine	31,950	14,400	31,950	14,400
Hydrochloric Acid	N.A.	64,800	N.A.	64,800
Bromine	2,520	1,500	2,520	1,500
Inorganic Bromides	400	400	400	400
Ethyl Bromide	150	150	150	150
Hydrobromic Acid	50	50	50	50
Vacuum Salt	N.A.	5,00,000	N.A.	3,50,000
Pure Salt	N.A.	25,000	N.A.	25,000
Gypsum @	60,000	60,000	60,000	60,000
Methyl Bromide	300	300	300	300
Detergent	1,50,000	75,000	1,50,000	75,000
Chemicals and other Industrial Machinery	5,000	5,000	5,000	5,000
Pozzolana Portland Cement	4,40,000	4,40,000	4,40,000	4,40,000
Ammonia	N. R.	445,500	N. R.	4,45,500
Urea	N. R.	742,500	N. R.	7,42,500

* As certified by the Management and accepted by the Auditors.

N.A. Not Applicable

N.R. Not Required

@ Not covered under Industrial Licence. However, the Central Government has sanctioned manufacture of Gypsum upto a capacity of 60,000 tonnes per annum.

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

15. Production and Sales :

	Production		Internal Use *		Sales			
	1999-2000 Tonnes	1998-1999 Tonnes	1999-2000 Tonnes	1998-1999 Tonnes	1999-2000		1998-1999	
					Tonnes	Rs.crores	Tonnes	Rs.crores
Soda Ash	7,28,226	6,14,104	89,442	82,018@	6,44,971	506.39	5,46,499	516.95
Sodium Bicarbonate	38,393	43,594	1,411	1,645	35,817	35.09	40,716	41.26
Caustic Soda	6,704	12,335	1,426	1,483	5,278	5.40	10,860	10.41
Fusite	—	—	—	21	—	—	17	0.02
Liquid Chlorine	2,662	4,366	308	362	2,462	0.72	4,032	1.19
Hydrochloric Acid	10,830	21,025	9,306	14,372	1,937	0.10	6,815	0.49
Bromine	517	875	207	333	389	3.17	470	4.00
Inorganic Bromide	60	155	54	37	68	0.77	62	0.76
Ethyl Bromide	—	—	—	(3)	1	0.01	—	—
Hydrobromic Acid	28	27	1	(3)	24	0.16	27	0.18
Vacuum Salt	3,47,340	3,44,515\$	12,106	38,647	3,22,541	100.29	3,06,965	95.46
Pure Salt	14,493	11,923	645	2,226	12,247	4.34	11,604	3.77
Gypsum	59,546	25,177	20,449	31,232	16,812	0.79	20,848	0.94
Methyl Bromide	134	124	—	—	126	2.26	125	1.78
Detergent	7,177	7,891	1,282	3,170	6,032	14.66	6,024	15.08
Cement	3,20,203	3,06,605	6,412	8,444	3,16,105	52.52	2,94,297	39.31
Clinker	3,23,931	3,23,430	2,91,858	2,76,261	38,747	4.08	94,763	10.62
Ammonia	5,66,923	5,03,191	5,65,627	5,07,182				
Urea	9,82,268	8,78,457	1,492#	1,629#	9,64,200	782.67	9,25,414	710.87
						<u>1,513.42</u>		<u>1,453.09</u>

* includes transit/standardisation and reprocessing loss and free issues

@ includes loss due to cyclone/rain

includes an adjustment of 14.50 tonnes (Previous Year 147.50 tonnes) being the difference between physical and book stock as at the year end.

\$ Net of offgrade production 16,380 MT

Tata Chemicals Limited

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

16. Closing Stocks of Finished Products :

	As at 31-3-2000		As at 31-3-1999		As at 31-3-1998	
	Tonnes	Rs. Crores	Tonnes	Rs. Crores	Tonnes	Rs. Crores
Soda Ash	76,155	41.31	82,342	42.42	96,755	44.91
Sodium Bicarbonate	6,965	4.34	5,800	3.28	4,567	2.32
Caustic Soda	—	—	—	—	8	*
Fusite	4	*	4	*	42	0.04
Liquid Chlorine	7	*	115	0.03	143	0.04
Hydrochloric Acid	170	0.01	583	0.01	745	0.03
Bromine	6	0.04	85	0.53	13	0.05
Inorganic Bromides	4	0.05	66	0.61	10	0.13
Ethyl Bromides	4	0.04	5	0.04	2	0.02
Hydrobromic Acid	8	0.05	5	0.03	2	0.01
Vacuum Salt	81,199	11.68	68,506	8.83	69,603	10.34
Pure Salt	1,977	0.42	376	0.09	2,283	0.54
Gypsum	24,155	0.26	1,870	0.03	28,773	0.43
Methyl Bromide	10	0.16	2	0.02	3	0.02
Detergent	540	0.99	677	0.91	1,980	3.13
Cement	4,653	0.44	6,967	0.60	3,103	0.29
Clinker	83,711	6.77	90,385	6.43	1,37,979	10.00
Ammonia	2,803	1.50	1,507	0.75	5,498	2.65
Urea	22,677	9.85	6,101	2.84	54,687	24.25
		77.92		67.45		99.20

* Value below Rs. 50,000

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

17. Raw Materials consumed :

(inclusive of Salt, Limestone, Soda Ash and Gypsum produced and captively consumed)

	1999-2000			1998-1999		
	Measure	Quantity	Rs.crores	Measure	Quantity	Rs.crores
(i) Limestone	Tonnes	15,86,508	46.85	Tonnes	14,07,869	38.91
(ii) Liquid Ammonia	Tonnes	2,724	3.13	Tonnes	2,254	2.68
(iii) Salt *	Tonnes	14,42,320	28.21	Tonnes	13,05,206	26.79
(iv) Coke	Tonnes	98,352	52.68	Tonnes	80,483	48.27
(v) Natural Gas	SCM	31,54,08,301	126.29	SCM	29,55,48,227	103.33
(vi) Naptha	KL	41,476	35.74	KL	35,300	18.68
(vii) Other Raw Materials			16.19			19.91
			309.09			258.57

* Includes **Rs.6.24 crores** (Previous Year Rs. 17.25 crores) charged to Wages, Salaries and other Revenue Accounts.

18. Value of Imports (C.I.F Value)

	1999-2000 Rs.crores	1998-1999 Rs.crores
(i) Raw Materials & Fuel	28.55	44.89
(ii) Stores, Components and Spare Parts	6.28	4.64
(iii) Capital Goods	11.92	1.94
	46.75	51.47

19. Expenditure in Foreign Currencies :

	1999-2000 Rs.crores	1998-1999 Rs.crores
(i) Interest in Rupees to Financial Institutions on foreign currency loans	0.67	1.41
(ii) Interest in foreign currency to Bank on foreign currency loans	0.81	3.07
(iii) For Technical Know how Fee	1.28	0.61
(iv) Payments on other accounts	0.47	0.93
	3.23	6.02

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

20. Remittances in foreign currencies for Dividends :

The Company has remitted during the year **Rs. 0.02 crores** (Previous Year Rs.0.02 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. The particulars of dividends paid to non-resident shareholders for the year 1998-99, for which dividend was declared during the year, are as under :

	1999-2000	1998-1999
(i) Number of Non-Resident Shareholders	768	725
(ii) Number of Ordinary Shares held by them	8,19,557	7,99,468
(iii) Gross amount of dividend (Rs. crore)	0.41	0.52
	1999-2000	1998-1999
	Rs.crores	Rs.crores
21. Earnings in Foreign Exchange		
(Export of goods on F.O.B. basis)	5.46	2.05

22. Value of imported and indigenous raw materials, stores, components and spare parts consumed :

	1999-2000				1998-1999			
	Raw Materials		Stores Components and Spare Parts		Raw Materials		Stores Components and Spare Parts	
	Rs. crores	%	Rs.crores	%	Rs.Crores	%	Rs.Crores	%
(i) Imports	78.83	25.50	6.22	5.06	8.65	3.35	8.64	8.65
(ii) Indigenous	230.26*	74.50	116.75	94.94	249.92	96.65	91.22	91.35
	309.09*	100.00	122.97	100.00	258.57	100.00	99.86	100.00

* Includes **Rs.6.24 crores** (Previous Year Rs.17.25 crores) charged to Wages, Salaries and other Revenue Accounts.

23. Figures have been presented in 'crores' of rupees with two decimals in accordance with the approval received from the Department of Company Affairs, Government of India. Asterisks denotes figures below Rs.50,000. Previous years' figures have been regrouped wherever necessary.

TATA CHEMICALS

Sixty-first annual report 1999-2000

Tata Chemicals Limited

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANY NAMED BELOW :—

	Sabras Investment and Trading Company Ltd.
1. The financial year of the Company ended on	31 March, 2000
2. Shares of the Subsidiary Company held by Tata Chemicals Ltd., on the above date :-	
(a) Number of Equity Shares	8,80,088
(b) Extent of holding in Equity Shares	100 %
3. The net aggregate of profits of the Subsidiary Company for the financial year, so far as they concern the members of Tata Chemicals Ltd., were :-	
(a) Dealt with in the accounts of Tata Chemicals Ltd., for the year ended 31 March, 2000	Rs 17.60 crores
(b) Not dealt with in the accounts of Tata Chemicals Ltd., for the year ended 31 March, 2000	Rs 122.71 crores
4. The net aggregate of profits of the Subsidiary Company for previous financial years, so far as they concern the members of Tata Chemicals Ltd., were :-	
(a) Dealt with in the accounts of Tata Chemicals Ltd., for the year ended 31 March, 2000	NIL
(b) Not dealt with in the accounts of Tata Chemicals Ltd., for the year ended 31 March, 2000	Rs 64.02 crores

Signatures to Schedules '1' to '4', 'A' to 'H', Notes to Accounts, Balance Sheet Abstract of Company's General Business Profile and Statement pursuant to Section 212 of the Companies Act, 1956.

For and on behalf of the Board

R. N. TATA

Chairman

R. GOPALAKRISHNAN

Vice-Chairman

KESHUB MAHINDRA
NUSLI N. WADIA
R. C. KHANNA
N. A. SOONAWALA

U. MAHESH RAO
D. M. GHIA
T. S. SRINIVASAN

} *Directors*

S. U. K. MENON
VP Finance & Company Secretary

M. SETH
Managing Director

Mumbai, 31 May, 2000

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2000

	Rupees in Crores	Previous Year Rupees in Crores
A Cash Flow from Operating Activities		
Net Profit before Tax and Exceptional Items	267.01	217.99
Adjustments for :		
Depreciation	123.47	116.15
(Profit)/Loss on Sale of Investments	(79.95)	—
Interest/Dividend Income	(38.88)	(16.20)
Interest Charged	185.66	194.51
Amortisation of Miscellaneous Expenditure	0.06	0.08
Deferred Revenue Expenses charged	3.45	3.47
Deferred Revenue Expenses Paid	(4.89)	—
Lease Rent charged	34.48	43.42
Loss on Assets Sold or Discarded	1.14	2.09
Operating Profit before Working Capital Changes	491.55	561.51
Adjustments for :		
Trade & Other Receivables	52.47	(55.23)
Inventories	(12.82)	46.83
Trade Payables & Other Liabilities	147.01	(2.09)
Cash Generated from Operations	678.21	551.02
Interest Paid - Gross	(181.60)	(220.55)
Taxes Paid	(53.16)	(57.02)
Cash Flow before Exceptional Items	443.45	273.45
Compensation under Voluntary Retirement	(53.74)	—
Damages due to Cyclone	—	(8.16)
Provision for Contingencies	(120.00)	—
Net Cash from Operating Activities	269.71	265.29
B Cash Flow from Investing Activities		
Acquisition of Fixed Assets	(116.21)	(173.63)
Sale of Fixed Assets	3.95	16.96
Refund of Inter-Corporate Deposits Placed	1.38	4.70
Acquisition of Investments	(19.85)	(4.38)
Sale of Investments	153.98	—
Interest Received	1.47	14.54
Dividend Received	39.17	13.70
Net Cash used in Investing Activities	63.89	(128.11)

TATA CHEMICALS

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Tata Chemicals Limited

	(Rs. Crores) 1999-2000	(Rs. Crores) 1998-1999
C Cash Flow from Financing Activities		
Proceeds from Borrowings	248.52	382.50
Repayment of Borrowings	(448.72)	(339.82)
Lease Rent Paid	(27.09)	(48.79)
Dividends Paid	(109.75)	(128.50)
Net Cash used in Financing Activities	(337.04)	(134.61)
Net Increase/ (Decrease) in Cash & Cash equivalents	(3.44)	2.57
Cash & Cash equivalents at start of year	13.57	11.00
Cash & Cash equivalents at close of year	10.13	13.57

For and on behalf of the Board,

Mumbai, 31 May, 2000.

R. N. TATA
Chairman

R. GOPALAKRISHNAN
Vice-Chairman

M. SETH
Managing Director

Auditors' Certificate

The Board of Directors,
Tata Chemicals Limited,
Bombay House, 24 Homi Mody Street,
Fort, Mumbai 400 001.

We have examined the attached Cash Flow Statement of Tata Chemicals Limited for the year ended 31 March, 2000. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 31 May, 2000 to the Members of the Company.

For S.B. BILLIMORIA & COMPANY
Chartered Accountants

For N.M. RAIJI & COMPANY
Chartered Accountants

S. J. MERCHANT
Partner.

A. R. GANDHI
Partner.

Mumbai, 31 May, 2000.

General Shareholder Information

- AGM : Date, time and venue** : 24.08.2000 at 4.00 p.m.
at Birla Matushri Sabhagar
19, Sir Vithaldas Thackersey Marg
Mumbai 400 020.
- Financial Calendar** : Year ending - March 31
- Date of Book Closure** : 09.08.2000 to 24.08.2000
- Dividend Payment Date** : There is no final dividend for 1999-2000
- Listing on Stock Exchanges** : The Company's securities are listed on the following 6 Stock Exchanges in India:

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001.

The Delhi Stock Exchange Association. Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi 110 002

The National Stock Exchange of India Ltd.
Trade World, Senapati Bapat Marg
Lower Parel
Mumbai 400 013

The Stock Exchange, Ahmedabad
Kamdhenu Complex, Opp. Sahajanand College
Panjarapole
Ahmedabad 380 015

The Calcutta Stock Exchange Association Ltd.
7, Lyons Range,
Calcutta 700 001.

The Madras Stock Exchange Ltd.
Exchange Building, Post Box No.183
11, Second Line Beach
Chennai 600 001

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 1999-2000.

Market Information:

Market Price Data - High, Low (based on the closing prices) and average volume, average number of trades during each month in last financial year.

Period	Avg. Volume ('000 Shares)	Avg. No. of Trades	High (Rs.)	Low (Rs.)
April'99	156.96	656	70.80	54.25
May'99	633.68	2,053	77.25	57.80
June'99	765.55	2,293	80.00	62.50
July'99	966.62	2,548	88.65	65.25
Aug'99	1,062.64	2,724	84.60	63.55
Sept'99	840.39	2,246	80.70	68.00
Oct'99	455.93	1,257	68.85	59.85
Nov'99	207.49	612	59.20	54.50
Dec'99	388.56	968	67.45	53.00
Jan'00	397.62	1,255	62.05	55.65
Feb'00	226.17	741	57.30	46.45
Mar'00	223.41	789	52.50	42.10

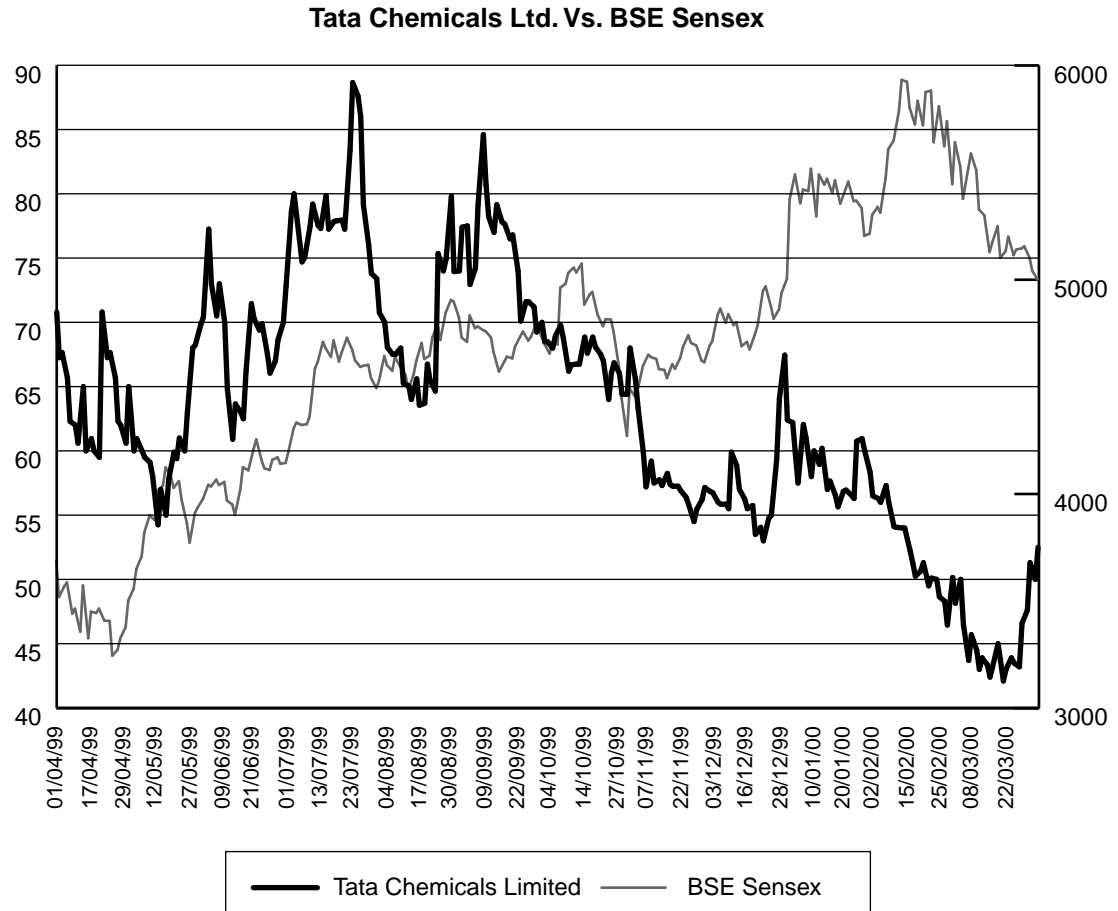
Source: BSE

TATA CHEMICALS

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Tata Chemicals Limited

Performance of Tata Chemicals Share price in comparison to BSE Sensex



Registrar and Transfer Agents : Tata Share Registry Ltd
Army & Navy Building
148, Mahatma Gandhi Road
Fort, Mumbai 400 001.
Tel : 2873831
Fax : 2844700/2844160
E-mail : tsrl@bom2.vsnl.net.in
Website : <http://www.tata.com/tsrl>



For the convenience of Investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of Tata Share Registry Limited (TSRL):-

Tata Share Registry Limited
503, Barton Centre, 5th floor
84 Mahatma Gandhi Road
Bangalore 560 001
Tel/Fax 080-5580019

Tata Share Registry Limited
Bungalow No.1, E. Road,
Northern Town
Bistupur
Jamshedpur 831 001
Tel: 0657 - 426616, Fax : 0657 426937

Tata Share Registry Limited
FMC Fortuna Building
Room No.A-6, 3rd Floor,
234/3A, AJC Bose Road
Calcutta 700 020
Tel : 033 - 2801493

Tata Share Registry Limited
Plot No.2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi 110 002
Tel No.011-3271805, Fax: 011 3271802

Share Transfer System :

Share Transfers in physical form can be lodged with the Tata Share Registry Ltd. at the above mentioned addresses. The Transfers are normally processed within 30 days from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve the transfers.

Unclaimed Dividend :

As required under the Companies Unpaid Dividend (Transfer To General Revenue Account of the Central Government) Rules, 1978, the Company had transferred all unclaimed dividends declared for and up to the financial year ended March 31, 1996 to the Central Government - General Revenue Account. Shareholders who have not claimed their dividend for the said financial years are requested to lodge a claim with the Registrar of Companies, Maharashtra, Mumbai.

As per the provisions of Section 205(A) of the Companies Act, 1956, the Company is required to transfer dividend declared for the financial year ended March 31, 1997 onwards which remain unpaid or unclaimed for a period of 7 years to the Investors Education and Protection Fund set up by the Central Government. Shareholders who have not claimed their dividend for the financial year ended March 31, 1997 onwards are requested to lodge their claim with the Company's Registrar and Transfer Agents - Tata Share Registry Limited. It may be noted that no claims will lie against the Company's Registrar and Transfer Agents - Tata Share Registry Limited. It may be noted that no claims will lie against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.

Distribution of Shareholding :

Sr No	Range of Ordinary Shares	No. of Shares	% to Capital	No. of Holders	% to Holders
1	1 to 500	2,81,75,964	15.60	2,31,405	89.56
2	501 to 1,000	1,08,80,215	6.02	14,860	5.76
3	1,001 to 2,000	1,03,15,165	5.71	7,266	2.81
4	2,001 to 3,000	50,34,550	2.79	2,048	0.79
5	3,001 to 4,000	32,67,875	1.81	937	0.36
6	4,001 to 5,000	24,80,012	1.37	545	0.21
7	5,001 to 1,00,000	59,71,794	3.31	853	0.33
8	Above 1,00,000	11,45,13,076	63.39	427	0.18
	TOTAL	18,06,38,651	100.00	2,58,341	100.00

TATA CHEMICALS

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Tata Chemicals Limited

Categories of Shareholders : As on 9 May, 2000

Category	No. of Shareholders	Voting Strength (%)	No. of Ordinary Shares
Individuals	2,55,089	38.75	6,99,92,022
Unit Trust of India	1	4.10	74,16,286
Life Insurance Corporation of India	1	12.66	2,28,68,271
Government and Other Public Financial Institutions	23	9.49	1,71,39,042
Tata Group Companies	31	29.92	5,40,45,229
Other Companies	2,764	3.81	68,82,643
Nationalised Banks, Mutual Funds and Trusts	189	0.75	13,60,851
Foreign Institutional Investors	44	0.37	6,63,714
Foreign Banks and Other Banks	199	0.15	2,70,593
Total	2,58,341	100.00	18,06,38,651

Dematerialization of shares and liquidity : 31% of the Company's share Capital is dematerialised as on 31.03.2000. The Company's shares are regularly traded on the Stock Exchange, Mumbai, as is seen from the volume of shares indicated in the Table containing market information.

Plant Locations : **Works**

Chemicals Division : Tata Chemicals Limited
Mithapur 361 345
Okhamandal,
Gujarat.

Fertiliser Division : Tata Chemicals Limited
Indira Dham,
P.O. Box No.1
Babralla 202 521,
Dist: Badaun,
Uttar Pradesh.

Address for correspondence : Tata Chemicals Limited
Bombay House,
24 Homi Mody St.
Fort, Mumbai 400 001
Tel : 2049131
Fax : 2042947
E-mail : tatachemicals.tata.com
Website : tata.com

Table showing Financial Results Cumulative for the period 1.4.1999 to 31.3.2000

Rs.Crore

Particulars	Quarter ended on 30.06.99 (Unaudited)	Six months ended on 30.09.99 (Unaudited)	Nine months ended on 31.12.99 (Unaudited)	Accounting Year ended on 31.3.00 (Audited)	Previous Accounting Year ended on 31.3.99 (Audited)
Sales and Operating Income	276.82	671.64	1,037.40	1,521.01	1,464.12
Investment Income	-	12.08	92.07	117.36	14.14
Other Income	(0.08)	0.46	0.48	21.92	22.04
Total Income	276.74	684.18	1,129.95	1,660.29	1,500.30
Total Expenditure	193.08	449.17	697.96	1,084.15	971.65
Gross Profit before Interest and Depreciation	83.66	235.01	431.99	576.14	528.65
Less: Interest	47.44	95.07	146.53	185.66	194.51
Gross Profit after Interest but before Depreciation	36.22	139.94	285.46	390.48	334.14
Less: Depreciation	29.66	60.56	91.26	123.47	116.15
Profit before Exceptional Items	6.56	79.38	194.20	267.01	217.99
Exceptional Item					
a) Damage due to Cyclone/Rain				-	(8.16)
b) Compensation paid under VRS				(3.56)	-
c) Provision for Contingencies				(120.00)	-
Profit Before Tax	6.56	79.38	194.20	143.45	209.83
Less: Tax	-	17.00	20.00	26.16	28.16
Profit After Tax	6.56	62.38	174.20	117.29	181.67
Equity Capital	180.70	180.70	180.70	180.70	180.70
Reserves excluding Revaluation Reserves				1,512.40	1,495.37

Financial Highlights - Last Decade

Year	Turnover	Net Sales (Net of Excise)	PAT as% of Net Sales	Earnings per share	Dividends/ per share	Gross gearing	Return on Capital employed	Return on Net worth	Asset cover (Turnover/ Gross block) times	Working Capital/ Turnover	Exports (FOB) value	Market Capitalisation as on 31st March
			(Rs. Crs.)	(Rs.)	(Rs.)	(%)	(%)	(%)		(%)	(Rs. Crs.)	(Rs. Crs.)
1990-91	299.42	262.24	16.95	6.03	2.50	63.5	11.74	13.29	0.91	55.1	1.93	327.52
1991-92	348.42	300.86	19.86	8.10	3.00	62.6	14.03	16.06	0.92	35.7	4.08	1,663.06
1992-93	414.75	360.61	20.78	* 8.91	3.50	65.2	11.05	14.64	1.01	24.7	9.68	1,101.25
1993-94	504.38	442.29	62.53	*20.21	6.00	60.3	13.54	33.53	0.89	11.5	9.20	2,883.59
1994-95	770.17	677.25	42.33	25.38	6.50	59.4	14.96	27.58	0.43	59.5	3.68	2,471.17
1995-96	1,515.37	1,402.56	27.97	21.83	6.50	54.1	22.79	29.85	0.71	41.9	14.95	3,812.56
1996-97	1,598.52	1,477.76	16.91	13.96	6.50	53.0	17.55	17.41	0.70	53.1	23.72	2,850.54
1997-98	1,633.02	1,515.65	19.04	15.97	6.50	48.9	17.53	18.10	0.69	52.1	19.98	2,701.47
1998-99	1,453.09	1,347.81	13.48	10.06	5.00	48.4	12.46	10.84	0.58	65.2	2.05	1,297.43
1999-00	1,513.42	1,417.06	8.28	6.50	5.00	44.7	10.74	6.93	0.55	51.4	5.46	948.68

* Annualised

FINANCIAL STATISTICS

Year	CAPITAL ACCOUNTS					REVENUE ACCOUNTS										Dividends (including Dividend Tax)	Rs. in lacs	Earnings per Ordinary Share	Dividend per Ordinary Share	Net Worth per Ordinary Share	Empl.-years' Earnings and Benefits
	Share Capital	Reserves	Borrowings	Capital Employed	Gross Block	Depreciation	Net Block	Gross Revenue	Expenses	Depreciation	Profit before Taxes	Taxes	Development Rebate Reserve@/Export Reserve/Debiture Redemption Reserve	Distributable profit for the year	Rs. in lacs						
1939-40	66	—	—	66	35	1	34	5	4	1	—	—	—	—	—	—	—	—	—	2	
1944-45	152	8	69	229	186	7	179	16	29	—	(13)	—	—	—	—	—	—	—	12		
1949-50	152	10	126	288	240	17	223	116	107	—	—	—	—	—	—	—	—	—	24		
1954-55	192	24	86	302	315	105	210	223	191	18	14	—	—	—	—	—	—	—	44		
1959-60	312	64	325	701	708	207	501	351	303	21	27	1	14	14	14(a)	—	—	—	74		
1964-65	362	220	281	863	1086	443	643	876	649	72	155	63	12	80	53	—	—	—	110		
1965-66	362	260	238	860	1151	516	635	965	728	74	163	73	10	80	53	—	—	—	111		
1966-67	393	288	328	1009	1269	581	688	1068	804	73	191	80	22	89	61	—	—	—	111		
1967-68	393	362	287	1042	1331	654	677	1154	868	75	211	86	14	111	61	—	—	—	131		
1968-69	492	354	202	1048	1424	709	715	1196	884	67	245	95	22	128	69	—	—	—	131		
1969-70	492	428	243	1163	1642	783	859	1253	918	75	260	117	20	123	70	—	—	—	155		
1970-71	579	443	399	1421	1896	846	1050	1362	1002	87	273	104	55	114	82	—	—	—	168		
1971-72	579	542	484	1605	2184	921	1263	1568	1181	96	291	112	40	139	93	—	—	—	184		
1972-73	631	711	612	1954	2629	1038	1591	1837	1400	128	309	74	77	158	103	—	—	—	222		
1973-74	671	929	1023	2623	3075	1184	1891	2333	1751	160	422	127	68	227	73	—	—	—	222		
1974-75	994	906	1189	3089	3765	1375	2390	3464	2652	201	611	250	52	309	154	—	—	—	265		
1975-76	994	1165	1537	3696	4395	1598	2797	3866	2957	256	653	230	75	348	163	—	—	—	349		
1976-77	994	1197	2275	4466	5472	1926	3546	3714	2729	328	657	300	51	306	163	—	—	—	334		
1977-78	994	1441	2141	4576	6056	2259	3797	4348	3607	334	407	—	174	233	163	—	—	—	366		
1978-79	994	1665	2403	5062	6697	2638	4059	4182	3253	400	529	141	94	294	163	—	—	—	421		
1979-80	994	2036	2848	5878	7480	3048	4432	5860	4421	513	926	364	128	434	191	—	—	—	511		
1980-81	994	2681	3522	7197	8877	3544	5333	7888	6010	649	1229	370	240	619	214	—	—	—	627		
1981-82	994	3267	4444	8705	10459	4198	6261	8350	6514	670	1166	365	200	691	214	—	—	—	693		
1982-83	1105	3982	4410	9497	11683	4758	6925	7694	6143	610	941	118	132	691	197	—	—	—	591		
(9 Months)																					
1983-84	1405	4906	6727	13038	14254	6254	8000	12610	9413	1516	1681	760	261	660	297	—	—	—	866		
1984-85	1594	6705	11987	20286	17032	7317	9715	13570	10429	968	2173	450	519	1204	352	—	—	—	1068		
1985-86	2779	8636	12779	24194	19559	8285	11274	16746	12898	1102	2746	578	524	1644	684	—	—	—	1171		
1986-87	2719	10212	21929	34860	22257	9170	13087	19354	14878	1341	3135	875	457	1803	683	—	—	—	1365		
1987-88	3717	15036	23516	42269	25991	10631	15360	23040	17875	1645	5029	800	2	2718	1086	—	—	—	1651		
1988-89	4492	21093	25850	51435	28559	12125	16434	29172	22392	1751	3229	1450	350	3229	1392	—	—	—	1779		
1989-90	4917	25926	34129	64972	35310	14017	21293	30902	23172	2056	5674	1600	582	3612	1475	—	—	—	1684		
1990-91	7375	26070	58398	91843	49989	16047	33942	35202	27354	2403	5445	1000	500	3945	1844	—	—	—	1909		
1991-92	7375	29831	62262	99468	69797	18618	51179	41204	29580	2650	8974	3000	2000	3974	2212	—	—	—	2442		
1992-93	9262	41931	95966	147159	119358	21050	98308	48743	34754	2623	11366	3871	1000	6495	2944	—	—	—	2527		
1993-94	11268	71225	125245	207738	194562	22632	171930	64698	40424	2266	22008	500	5000	16508	6385	—	—	—	3613		
1994-95	11288	92630	152664	256582	209747	26717	183030	92443	59171	4601	28671	6	5500	23165	7342	—	—	—	4053		
1995-96	18069	113349	154892	286310	224475	36872	187603	155565	103420	10489	41656	2200	17000	22311	11747	—	—	—	4582		
1996-97	18070	125449	161606	305125	241799	47837	193962	162813	122372	11409	29032	3800	4500	20487	12916	—	—	—	4830		
1997-98	18070	141396	152755	312221	260896	59053	201843	166151	121432	11513	33205	4350	—	28863	12916	—	—	—	6557		
1998-99	18070	149537	157023	324630	273995	70516	203479	150030	117432	11615	20983	2816	—	18167	10026	—	—	—	6478		
1999-00	18070	151240	137023	306313	284488	82244	202244	166029	139337	12347	14345	2616	—	11729	10026	—	—	—	6038		

EQUITY SHARES ISSUED ON CONVERSION OF BONDS/DEBENTURES

Year	Rs. Lacs		Premium		RIGHTS ISSUES		BONUS ISSUES	
	Rs. Lacs	Premium	Rs. Lacs	Premium	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
1982-83	116	—	1954-55	—	1 for 2 at Par	48	1966-67	30
1983-84	300	Rs. 8/- per share	1957-58	—	4 for 5 at Par	112	1968-69	100
1984-85/1985-89	600	Rs. 10/- per share	1961-62	—	1 for 5 at Par	50	1970-71	87
1987-88	725	Rs. 30/- per share	1972-73	—	1 for 5 at Prem Re. 0.5 per share	104	1974-75	311
1987-88	725	Rs. 40/- per share			1 for 5 at Prem Rs. 5.0 per share		1985-86	777
1987-88	725	Rs. 60/- per share					1990-91	2458
1992-93	1960	Rs. 40/- per share					1995-96	6777
1993-94	1960	Rs. 40/- per share						
			6386			314		10540

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.
* Annualised.