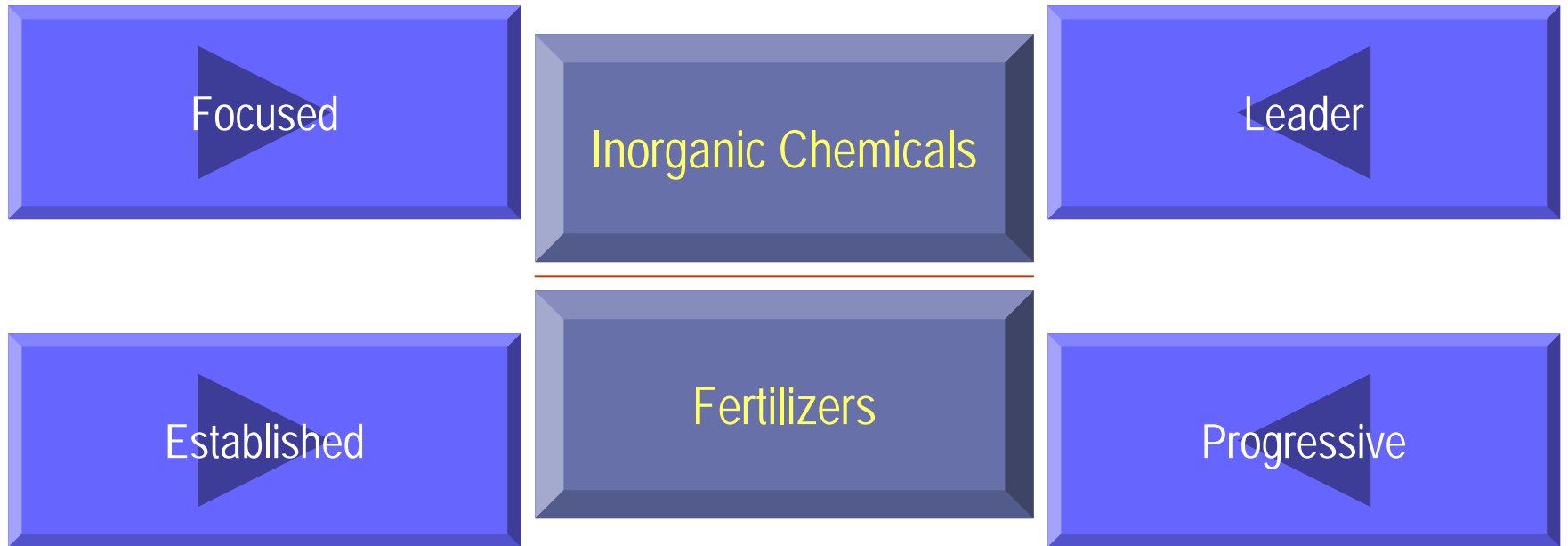


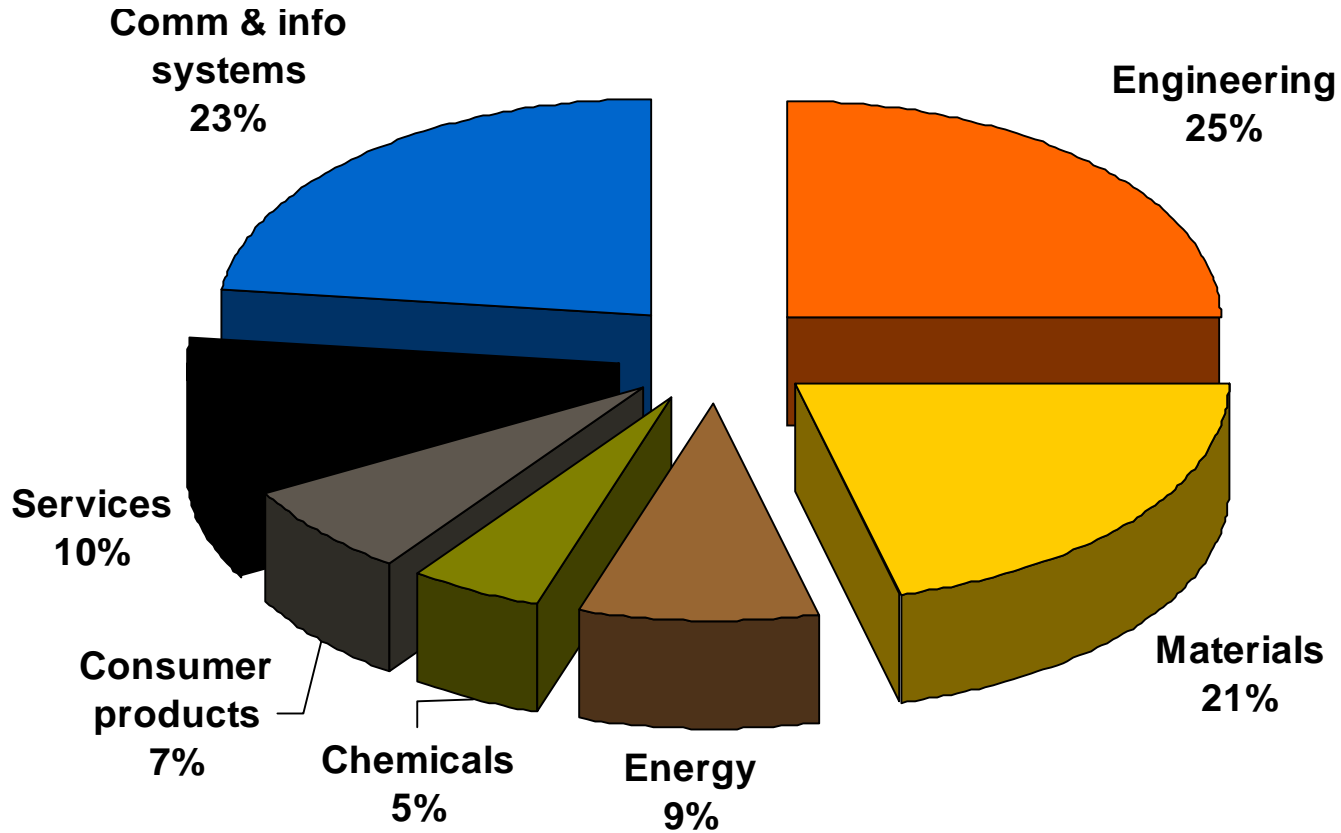


Tata Chemicals Limited



The Tata Group

The Tata Group



Segmental distribution - sales

Figures in %

Financial insight

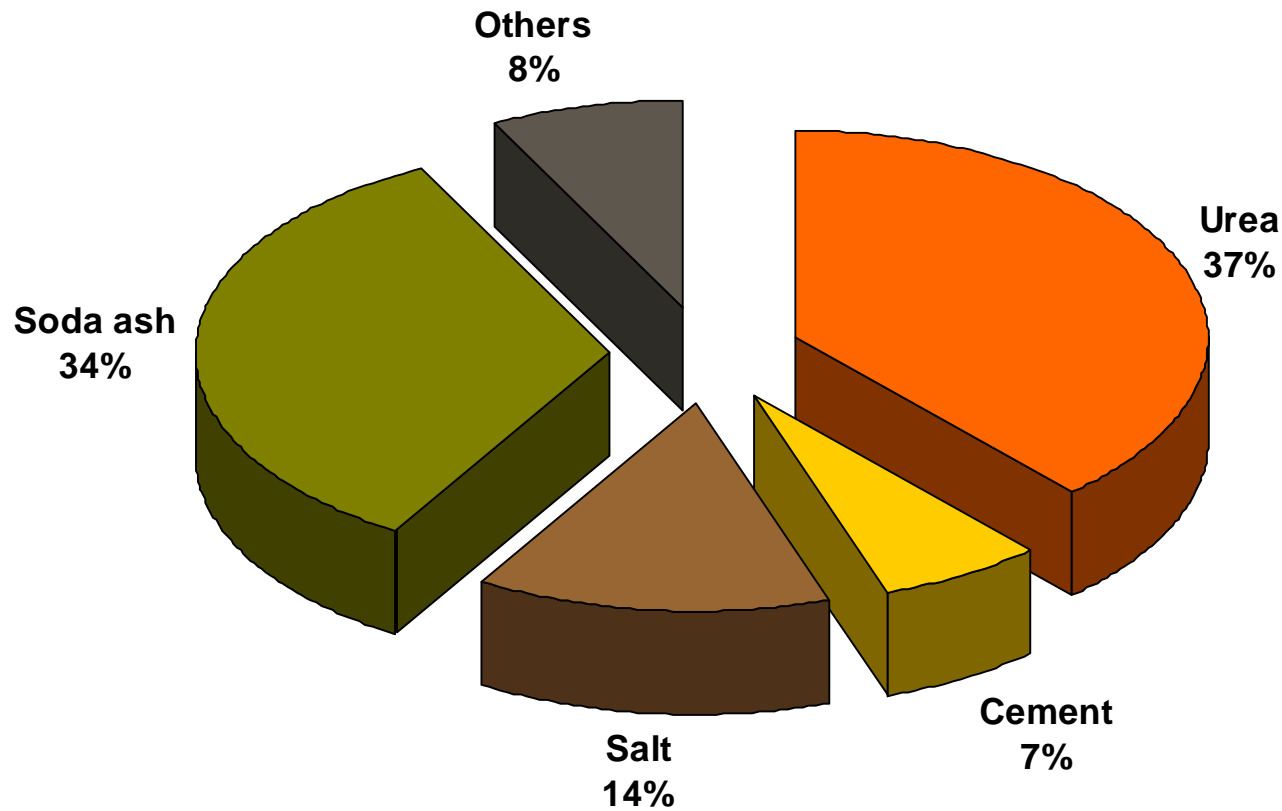
	USD million – FY 2003
Value of assets	10,524
Gross Block	8,986
Total income	11,206
Sales	10,774
PAT	805
Exports	2,707
Net forex earnings	1,497

Capital market perspective

- 31 Tata companies listed on various stock exchanges
- Accounts for approx 3.5% of the total market capitalization of all listed companies in India
- Over 2.1 million shareholders

Tata Chemicals

Business portfolio



Sales distribution

Figures in %

Perspective - Key businesses

Soda Ash

One of the largest single site soda ash producer globally
Plant capacity: 875,000 MT
Largest market share in India
Multiple product variants addressing diverse markets

Salt

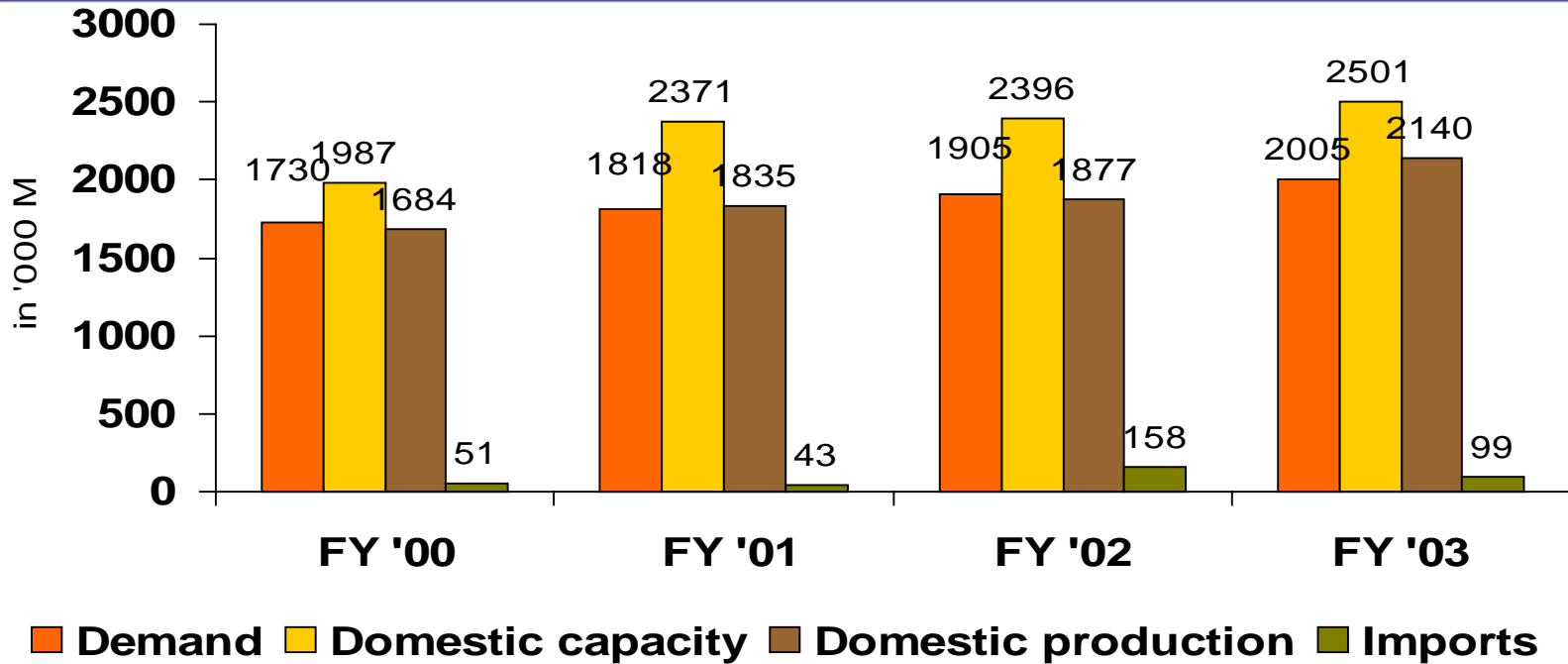
Pioneer in branded salt market in India
Largest salt brand in India
High brand equity and premium perception

Urea

Most energy efficient manufacturing facility in India
Plant capacity: 864,000 MT
Leading presence in high demand centers
Close association with target consumer

Business perspective

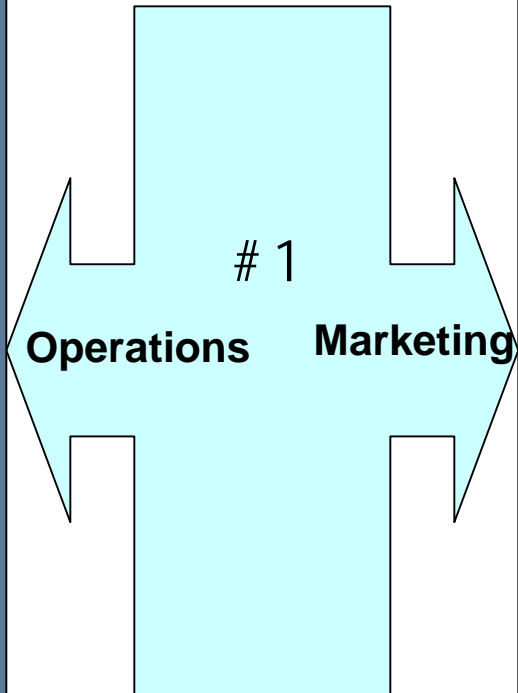
Sector dynamics



- Demand presently short of supply, average capacity utilization of Indian industry: 81%
- Glass is the fastest growing customer segment
- Threat of increasing import volumes, with custom duties expected to be reduced in line with WTO recommendations making efficiencies key

Tata Chemicals perspective

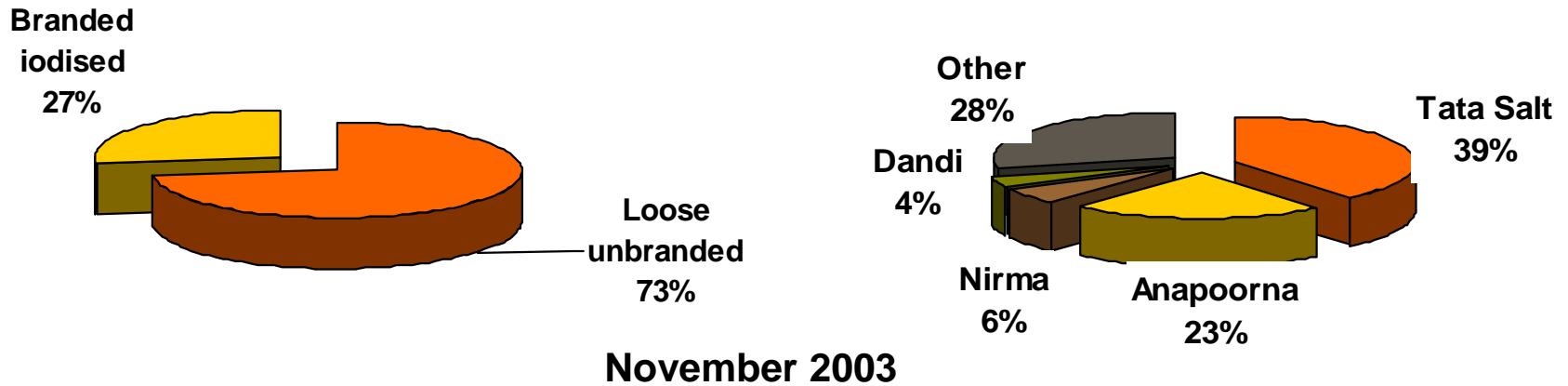
- Project Manthan and other operational efficiency initiatives drive down input and energy costs enabling company to become a strong global player as well as combat imports
- **Operational savings**
FY2003: Rs 580 mn
9M FY2004: Rs 440 mn
- Implementation of SAP and other IT initiatives ensure highly effective Supply Chain Management



- Account manager concept: Single point contact for key customers ensures well entrenched business relationships
- Aggressive outlook towards international markets:
Exports have trebled over the last 2 years
- Capacity utilization 87.5% in FY04
- Value based services-
quality, packing, packaging

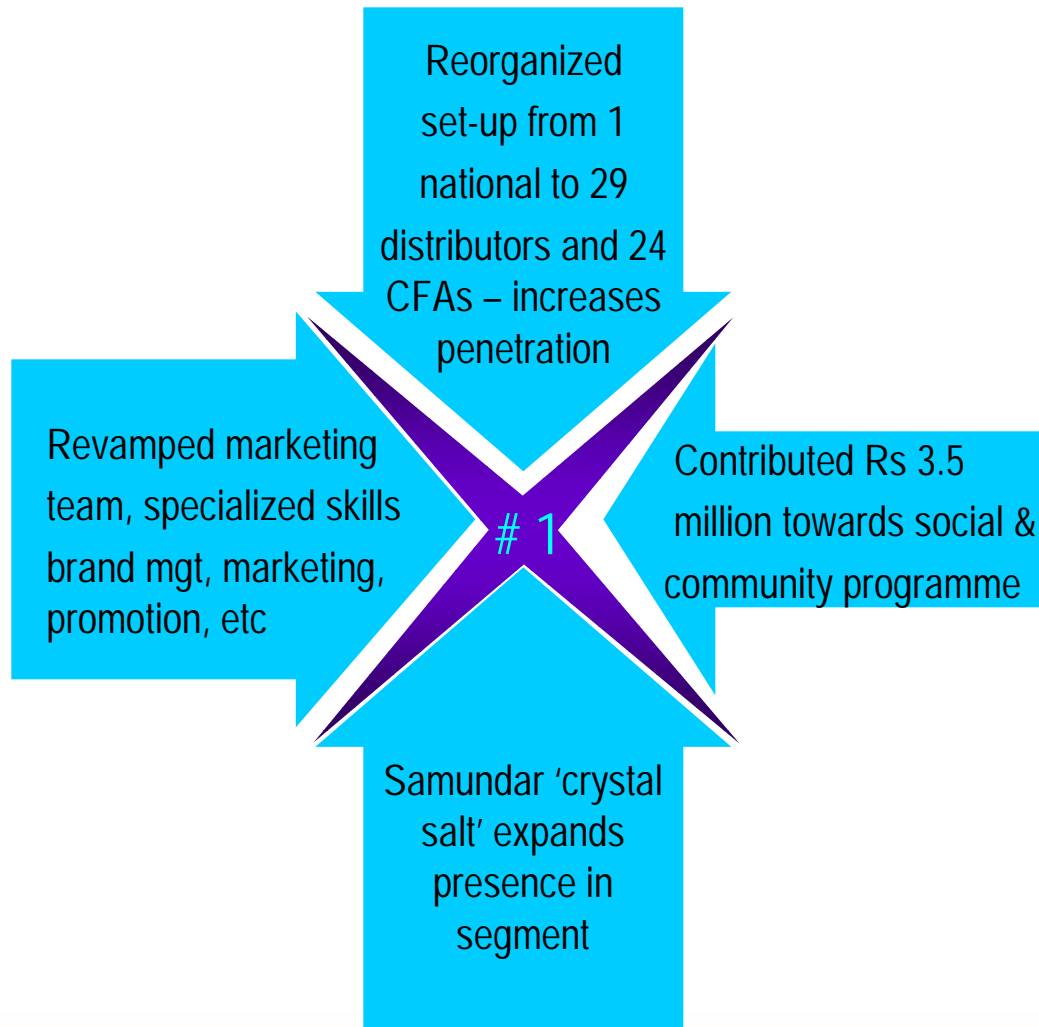
Salt

The Indian Salt industry



- Total demand for edible salt in India: 5.46 million tonnes, Demand for branded edible salt: 0.7 mil tonnes
- Education and awareness gradually altering consumption patterns towards iodized salt
- National brands growing at 7%

Tata Chemicals perspective



Highlights

- Tata Salt ranked No. 6 in the Brand Equity survey of India's most trusted brands
- Ranked No. 1 in the Food Additives segment
- Ranked 18th in A C Nielsen Global Brand Equity Index
- Marketshare greater than the combined share of next three national branded players

Fertiliser

The Indian fertiliser sector

- Third largest producer and consumer of fertiliser in the world
- Dominated by PSUs and Co operatives
- Installed capacity of approximately 20 million MT
- Highly complex industry with plants using a wide variety of feedstock, varying capacity, technology and vintage
- Consumption patterns presently heavily skewed towards nitrogenous fertilisers. NPK ratio of 7:2:1 as against an average of 5:2:3 internationally
- Urea constitutes 85% of nitrogenous fertiliser consumption and 58% of total consumption
- Sector emerging from being highly protected to a more liberalized and efficiency encouraging environment

....The Indian fertiliser sector

Retention pricing

- 2003

- Nitrogenous fertiliser segment regulated through price controls based on stipulated norms
- Manufacturers assured of 12% returns on Net Worth
- Production not more than assessed capacity
- Supply limited to core command areas

Policy designed to encourage efficiencies and eventual decontrol

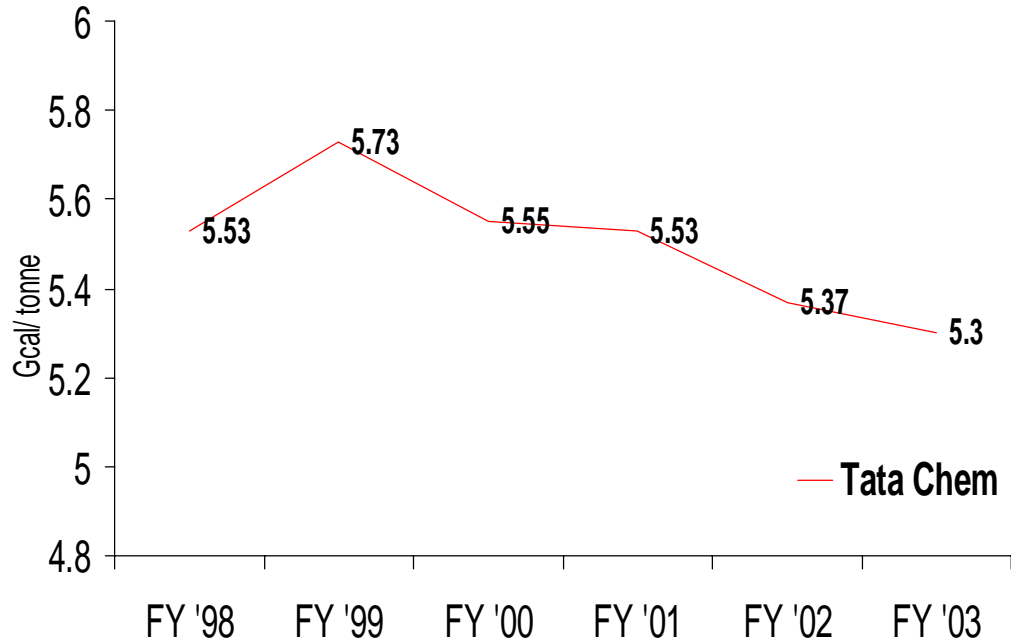
Group Pricing Policy

2003 -

- Industry classified into 6 groups, based on vintage and feedstock
- Concessions based on weighted average retention price computed
- Special treatment given to outliers having a retention price of 20% over Group avg
- No special treatment for outliers post April 2004

Tata Chemicals perspective

Estimated sector Gcal/Tonne ~6.0



Highlights

- Tata Chemicals possesses the most efficient fertiliser plant in India
- Least water consumption and effluent generation-ISO 14001 and ISO 9002 certified
- Operates on both naphtha and natural gas
- Plant supplies fertiliser to high consumption areas of Bihar, UP and Jharkhand
- TKK network - one stop shop for agri solutions for farmers

Financials

Ratios

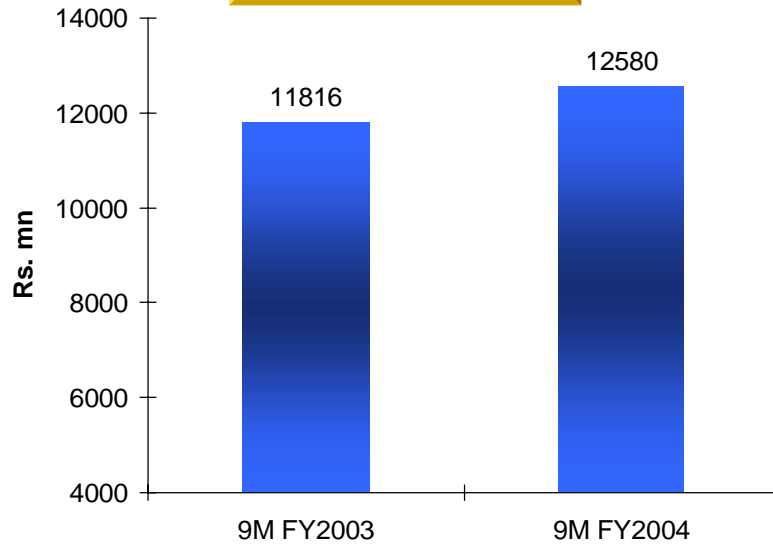


	Q3 2003	FY2003	FY2002
CURRENT RATIO	3.56:1	3.23:1	2.63:1
DEBTORS TURNOVER RATIO	7.62:1	6.16:1	3.68:1
CREDITORS TURNOVER RATIO	5.84:1	10.7:1	10.27:1
INVENTORY TURNOVER RATIO	5.3:1	6.4:1	4.52:1
OPERATING PROFIT MARGIN (operating income considered not incl of cost of goods sold)	27.5%	25.5%	26.2%
NET PROFIT RATIO	13.5%	11.5%	8.4%
INTEREST SERVICE COVERAGE RATIO	9.39:1	3.9:1	4.16:1
RETURN ON CAPITAL EMPLOYED (Operation)	12.2%	12.0%	13.1%
RETURN ON Net worth	10.3%	12.0%	8.2%
DEBT/EQUITY RATIO	0.27	0.50	0.68
ASSETS COVERAGE RATIO	4.11	2.88	2.35

9M FY 2003-04 Results

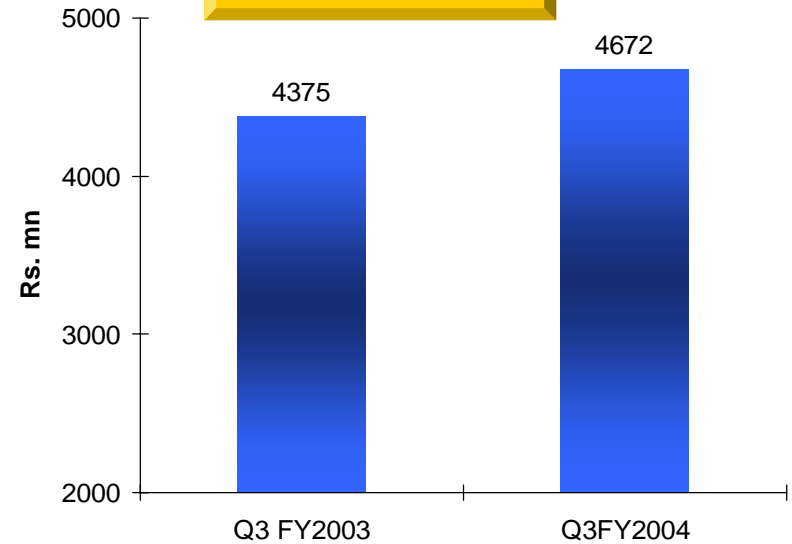
Revenue performance

9M FY 2004



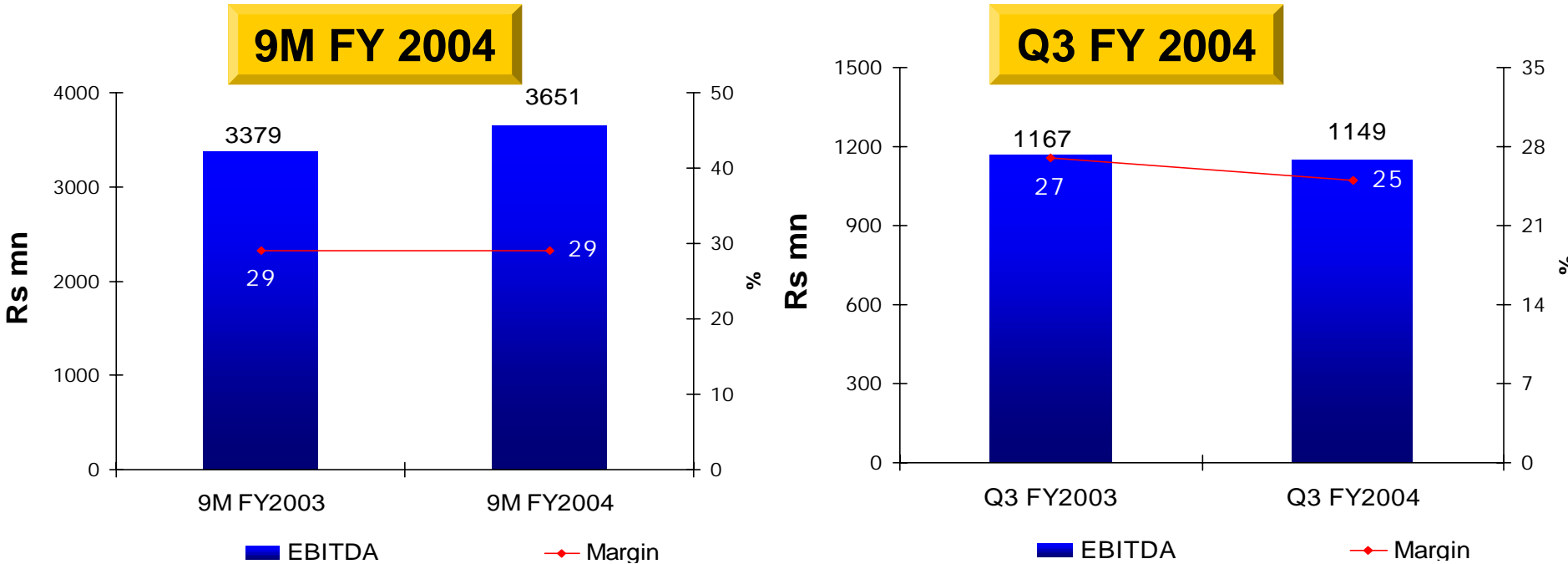
6%

Q3 FY 2004



7%

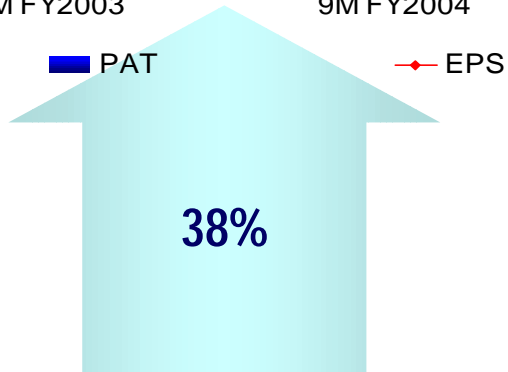
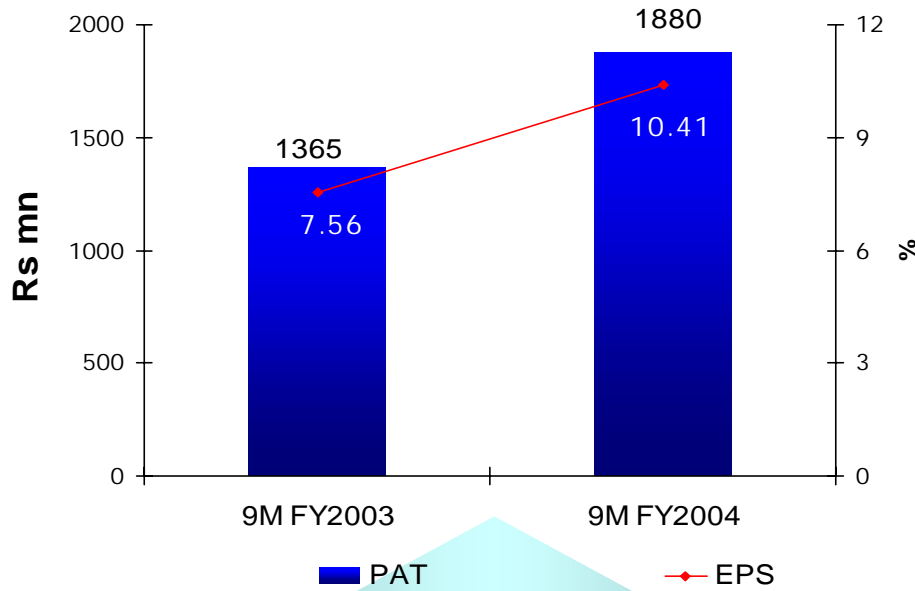
Profit from operations



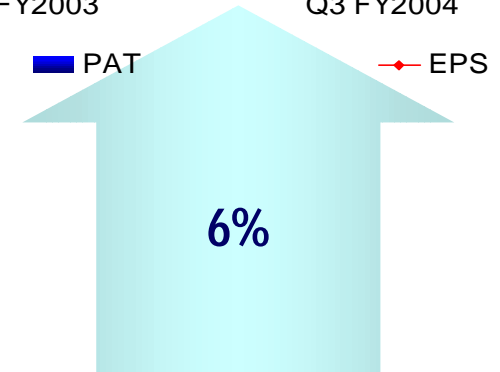
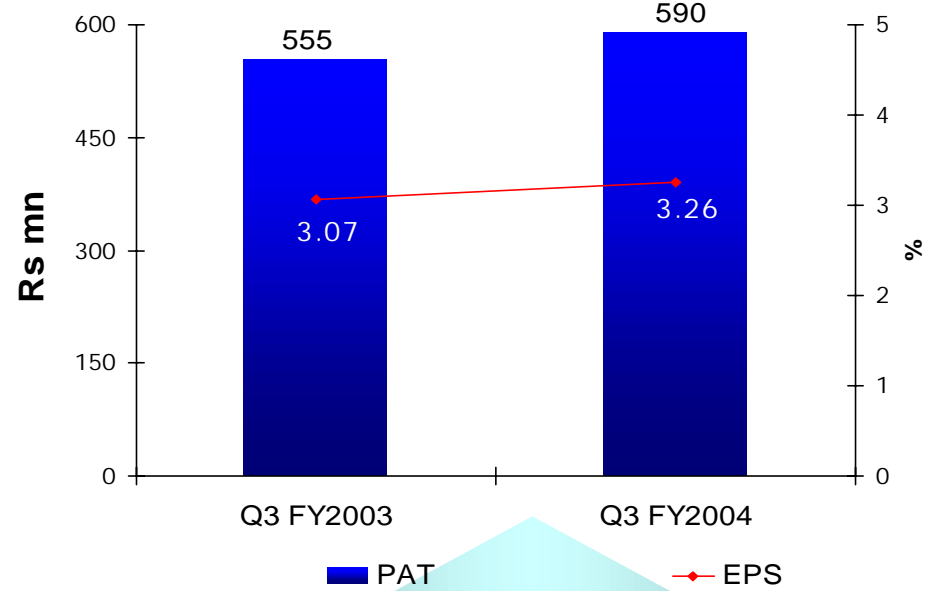
Marginal decline in profit from operations in Q3 FY2004 attributable mainly to

- Withdrawal of sales tax benefit on soda ash
- implementation of Group Pricing Policy (*The Group Pricing Policy is however expected to have a positive influence on Tata Chemicals in the long term*)

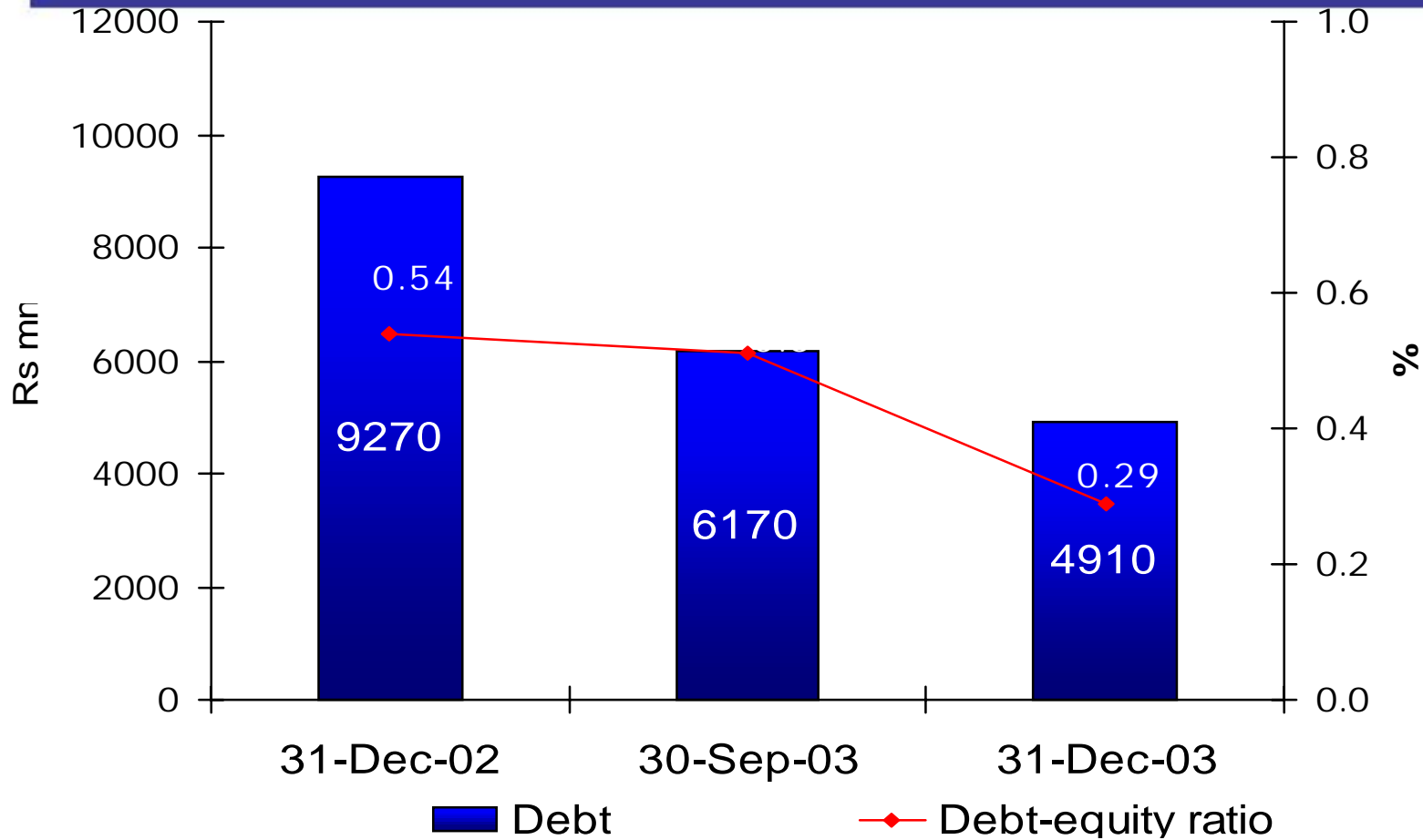
9M FY 2004



Q3 FY 2004

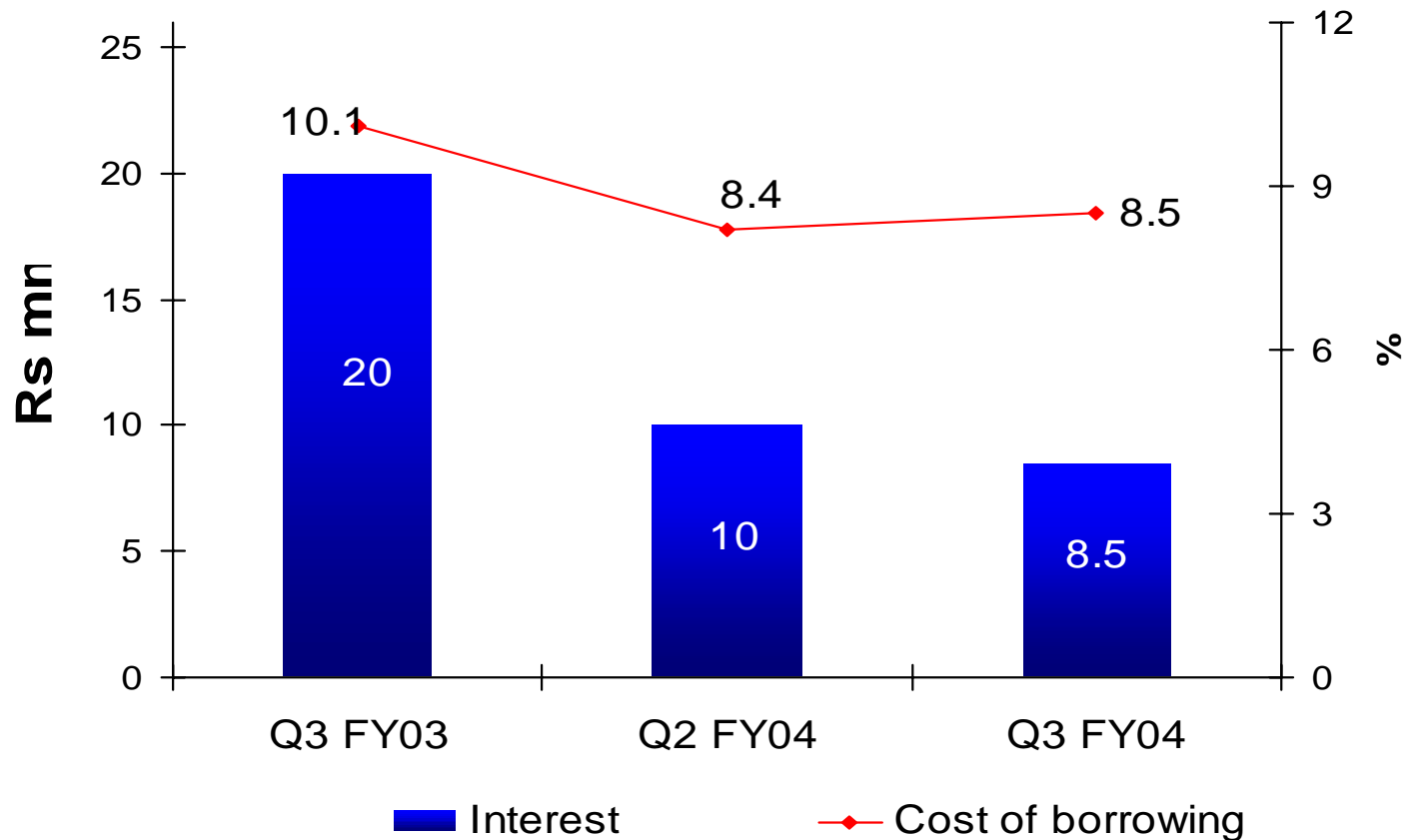


Financial Management



Close to 50% debt reduction between Dec 2002 and Dec 2003

...Financial Management

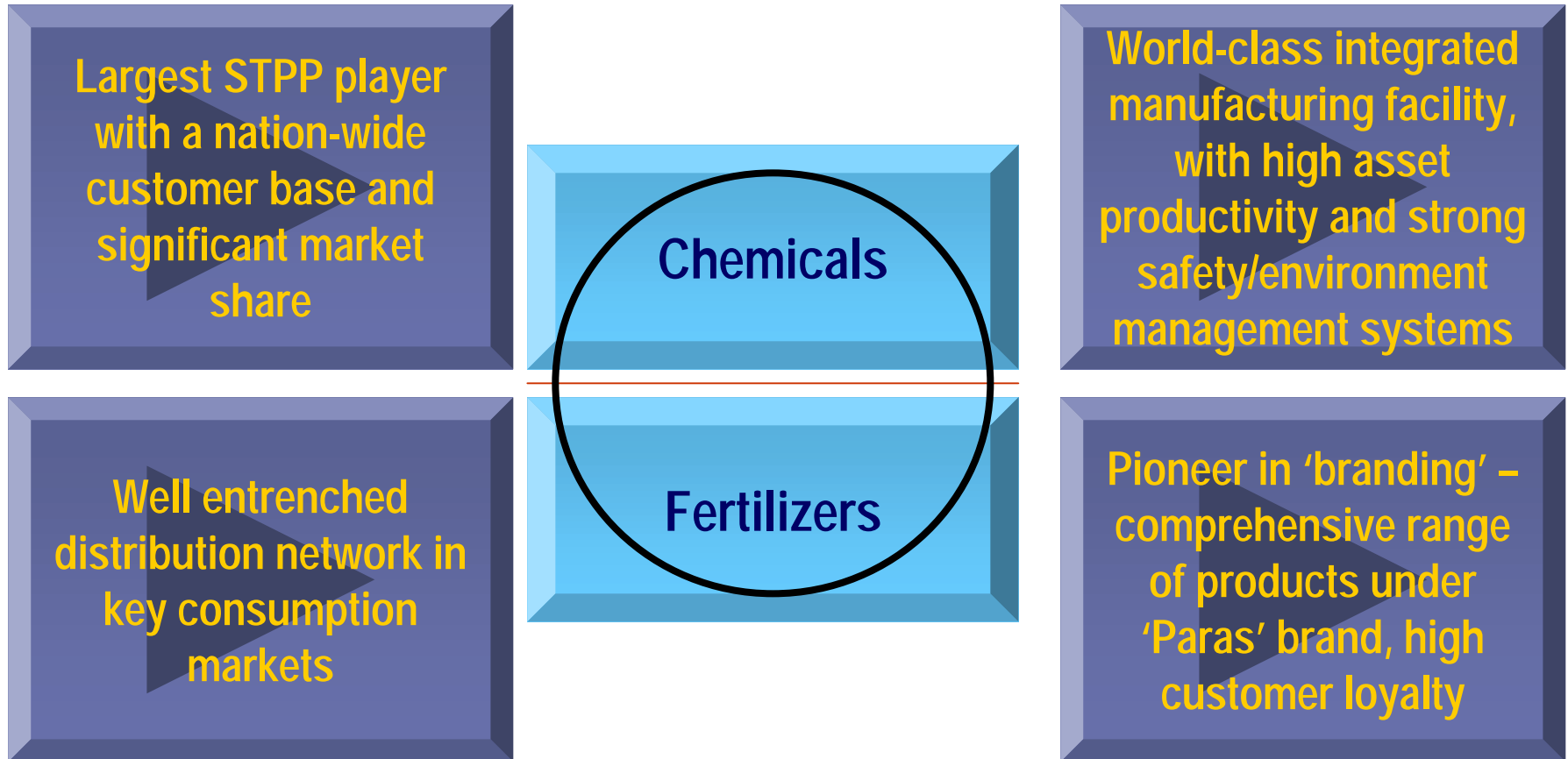


Over 50% decline in interest costs YOY

Perspective of proposed merger with Hind Lever Chemicals

Hind Lever Chemicals Limited

Leader in its chosen product segments



Overview

- Both companies possess **natural operating synergies** across their key operating activities in the chemicals and agri inputs sectors
- The merger ratio has been defined at **2.5:1** by independent financial advisors (2.5 shares of TCL for every 1 share of HLCL)
- The transaction will enable the development of a **superior operating model and business profile** by strengthening the Company's position in its defined areas

Growth outlook

