



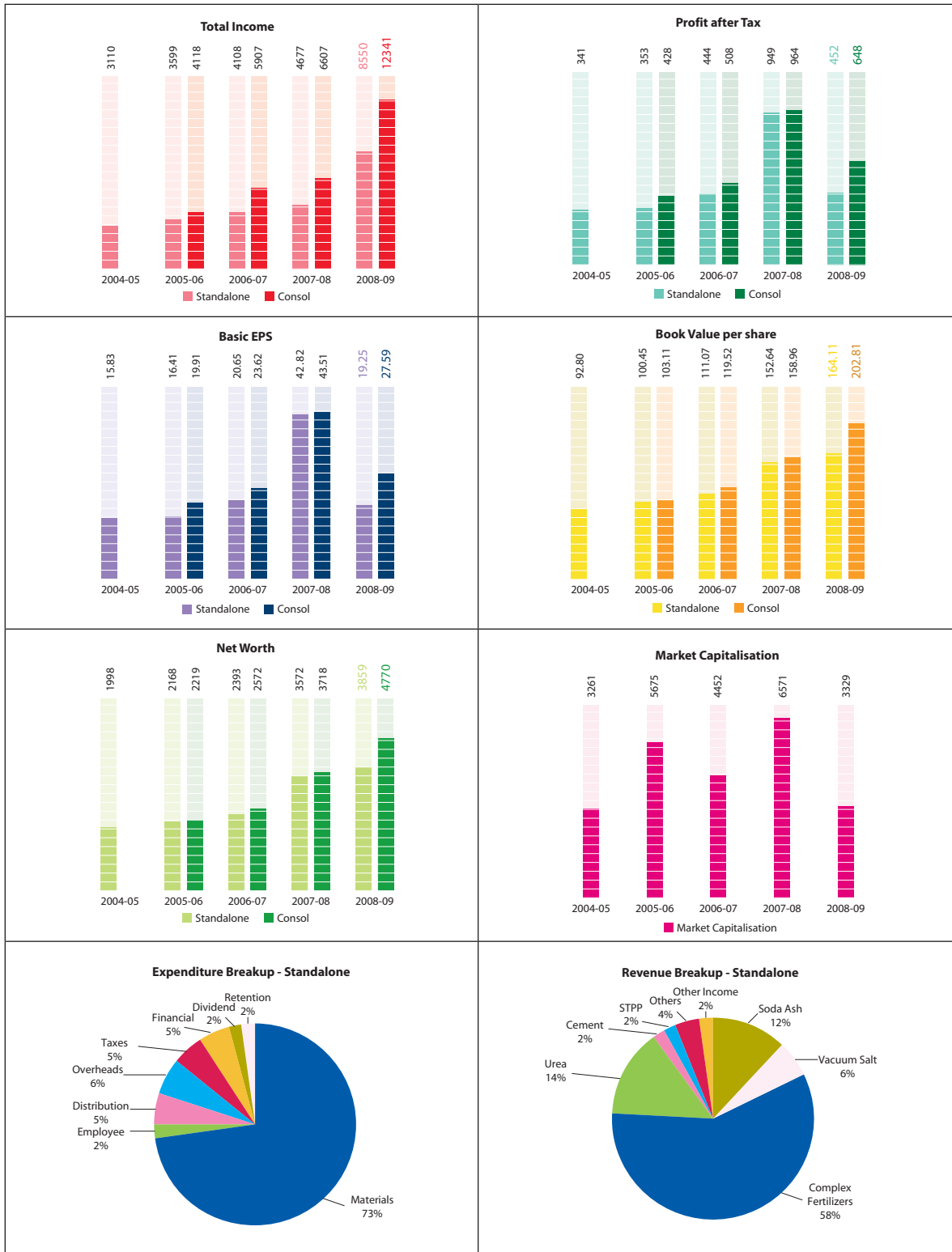
TATA CHEMICALS

70th Annual Report - 2008-09



THE HUMAN TOUCH^{of} CHEMISTRY

70
years of
Sustainable
Development...





“ In a free enterprise the community is not just another stakeholder in business but is in fact the very purpose of its existence. ”

– Jamsetji Tata

At Tata Chemicals, Chemistry and Care always go hand in hand!

From its inception, the story of the company has been about 'Chemistry with a Conscience'; of harnessing the fruits of science for goals that go beyond business; of care and commitment towards all its stakeholders.

We call this 'The Human Touch of Chemistry'... Further, with products and services that touch human lives every day, whether by means of the Salt that makes our food tastier or the Soda Ash that goes into the manufacturing of Glass and detergents or the fertilizers that make a farmer smile, TCL subtly touches our lives, as 'Ingredients in Excellence', each and every day spreading joy and cheer to the users.

Our credo, 'The Human Touch of Chemistry' (HTC)... encompasses all this and more...For us at Tata Chemicals the statement -'The Human Touch of Chemistry' - reflects our sensitivity towards sustainability. Our values, our vision for a greener tomorrow, our effort towards enriching the quality of life all together helps us integrate sustainability into our business strategy.



“ In areas where new job opportunities were close to zero, “Uday “our rural BPO along with SerWizSol at Mithapur and Babrala has been providing job opportunities to 206 rural youth and has brought sunshine in their lives. ”

The roots of Sustainability at Tata Chemicals are 70 years strong and deep. Since 1939, Tata Chemicals Limited regarded the whole of Okhamandal- rather than Mithapur alone - as the home of Tata Chemicals & has been, over the years, deeply involved in promoting the welfare & well being of the Okhamandal community. The company has been most active in the support of the Okhamandal community in years of drought & distress & has always happily placed its resources at the disposal of the community in providing drinking water, health care, cattle care, rehabilitation of wells, afforestation & importantly additional employment opportunities etc.





Tata Chemicals has been issued Carbon Credits for registered projects by UNFCCC mostly related to Energy reduction and Methane Reduction. Also we are actively involved in advocacy forums for Climate Change and are a member of TERI-CORE-BCSD, Signatory to Global Roundtable on Climate at Earth Institute, Columbia University.

In April 2008 we took an internal assessment of the CO₂ emissions across the operations of our Climate Change Cell and the value of within the fence CO₂ emissions is around 5 million mt per year.

In the year 1979, Tata Chemicals Limited promoted a Society under the name of "Tata Chemicals Society for Rural Development" (TCSRDR) exclusively for community development activities, & channeled its budgeted funds for the reason of community development through TCSRDR. It was explained that the company would be one of the founder corporate members & also the principal promoter of the society. The membership of the society would be open to any person or society, body corporate etc. who believed in the objects of the society.



From a humble beginning 30 years ago, TCSRDR has successfully created an impressive network spread over Gujarat, Uttar Pradesh and West Bengal, constantly endeavoring to further strengthen the TATA philosophy of good corporate citizenship. With the spread of our operations now extending beyond India, we have commenced several Social Responsibility programs in our overseas locations. Today, as a responsible member of the global community, we have included in our targets contribution towards UN's Millennium

Development Goals. Poverty Alleviation, Women's empowerment, child & maternal health, environment sustainability, bio-diversity & water management are the key goals in TCSRDR's agenda.

Our Corporate Sustainability Policy recognizes that sustainability encompasses Environmental Stewardship, Adding Economic Value, Promoting Human Rights and Building Social Capital, all of which are the basis of a "Triple Bottom-line approach". In order to further strengthen the Company's efforts in sustainability, this year, sustainability goals have been established that cover systems, people and programs in a manner that combine the four essential dimensions of 'human', 'social', 'environmental' and 'financial' benefit. These 4 dimensions are further sub-divided into 'risks', 'opportunities' and 'innovation'. Specifically the principles we follow in this regard are:

- Upholding the highest standards of Business Ethics and Corporate Governance



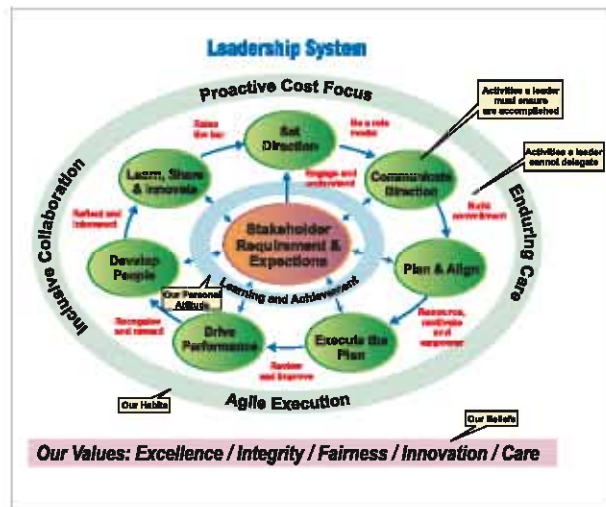
Safety process has been made robust by adapting British Safety Council (BSC) in Babrala, Du Pont Safety System in Mithapur and DuPont Behavioral Audit in Haldia, Mithapur and Babrala.

Periodical technical Audits and Operational excellence initiatives like Manthan, Udaan have helped us in maximizing the recycling of materials such as Limestone, ESF Cake ,NFC etc, energy saving, water and treated effluent recycling. A total energy saving of 734.45 TJ has been achieved over the last three years by process modifications, retrofitting of equipments and waste heat recovery.

- Respecting the universal declaration of human rights and the International Labor Organization's fundamental conventions on core labor standards
- Conducting all our operations in a manner that is protective of the environment, health and safety of employees, customers and the community
- Striving to develop new products and improve existing ones to consistently enhance the value proposition to our customers while taking care of the environment, throughout their life cycle
- Encouraging and supporting our partners to embrace similar ethical and social responsibility standards
- Encouraging diversity of culture, experience and expertise while creating an environment that fosters achievement, innovation, learning and teamwork in our employees
- Setting targets, measuring and reporting our performance across Social, Environmental and Financial dimensions



Tata Chemicals believes that sustainability and stakeholder engagement are the very core of our organization. At the heart of the leadership system of Tata Chemicals is understanding and responding to the needs and expectations of our stakeholders.



Our stakeholder Engagement Framework comprises of three main elements namely **Materiality** - which requires knowing stakeholders and the organizations material issues, **Completeness** which refers to understanding stakeholder concerns, that is, views, needs, and performance expectations and perceptions associated with their material issues, **Responsiveness** which



Mithapur has achieved 99% reduction in dependence on ground water in the last three years by adopting various in-house water conservation methods, sea water desalination as well as management of rain water harvesting in lakes.

All sites of Tata Chemicals have achieved 100 % legal compliance in all environmental norms. Specific effluent generation at all sites has been reduced from 21.7 to 18.8 KL per tonne of production since 2004-05 to 2007-08.

means coherently responding to stakeholders' and the organization's material concerns and Inclusivity which encompasses Accounting for Stakeholders aspirations and needs.

The key elements of Sustainability are: *Integrating the economic, ecological and social aspects in 'triple bottom line', Interact with all stakeholders including employees and improve conditions, continually improve business practices, integrating long term and short term aspects.*

Our Sustainability Programs and actions are driven and guided by six major drivers namely Climate Change - GHG Emissions, Green Manufacturing Index - (Energy Consumption, Water Consumption, Solid Waste reuse, Green Cover- afforestation, Renewable energy) Workforce - Safety, Health, Engagement, Community - CS Protocol Index,



Product Stewardship & Green Chemistry Investments.

At Tata Chemicals we are committed to serve our customers with better & newer offerings. While most of the Company's existing products are in the maturity phase, a conscious attempt is continuously made to promote a culture of innovation & democratize it across the organization, so as to be able to maintain a healthy pipeline of new offerings. The

Innovation Center (IC) is one example of how this has been institutionalized. Another is the business model innovation currently taking place in the Fertilizer business, in the Crop Nutrition division. Attention is being turned from merely selling fertilizers to improving soil health, educating farmers about better farming practices and assisting the farmers with better market access and price-discovery, so that the company also makes a contribution to the country's need for "inclusive growth" and helps to improve rural prosperity, albeit in a small way, initially.

We strongly believe that People are central to company's transformation agenda and a crucial enabler in its journey of becoming a truly responsible global citizen. The safety and health of our people is the principal consideration of all our policies and business activities. We invest a large amount of





At our Babrala plant soil was totally alkaline and there were less than 30 trees since inception of plant, land reclamation and top soil treatment resulted in about 34.1 % of the total land having lush green belt comprising of 2.6 lakhs trees and plants of various species.

resources to reduce workplace accidents and ensure a safe working environment. We protect the interests of our employees by providing them with appropriate and up-to-date training and access to development programs. By adhering to world safety standards, promoting product and operational safety, and encouraging the active participation of every employee, we have strived to create a healthy work environment that complements our superior product line.



Integrating environmental sustainability principles in overall operations and planning is the philosophy followed by us. We try and ensure that all employees and associates understand their responsibilities towards protection of environment and sustainable business with appropriate training and support. Our corporate strategy has considered Climate Change as one of the major environmental challenge and has established a Corporate Cell on Climate Change to respond to the challenge and to develop action for a low carbon economy.

With the growing industrialization across the world, demand of industrial resources is also growing and an increase in extraction of materials and other natural resources is leading to a demand supply gap. This makes it imperative to continuously improve operational efficiencies. At Tata Chemicals, resource conservation and efficiency improvement are the philosophy in operations and the strategy is to optimize the consumption and minimize the losses of raw materials and other resources.



“What comes from the people must go back to the people many times over” - this principle is an inheritance from the founding fathers of the Tata Group. Tata Chemicals Limited (TCL) honors its legacy through various means and has established trusts & societies such as: **Tata Chemicals Society for Rural Development (TCSR)**, **Golden Jubilee Trust (GJT)** and **UDAY Foundation**.

These bodies take up development work, and



Through our Watershed Development and Water Management Program we have impacted approx 100000 people helping them get water for drinking and irrigation.

A total of 817 youth have been trained and have undergone the Rural Entrepreneurship Development Programme (REDP) Training of which 117 have successfully set up enterprises till date. In the year 2007-08, 326 youth of which 30 trainees have upgraded or started their enterprises and as a result doubled their income.

support programs such as 'Save the Whale Shark', 'Lion Conservation Project', 'Desh ko Arpan' etc. Community is our key stakeholder and we believe that development of the community is only possible through inputs and partnerships from all stakeholders. We partner with other agencies (NGOs, Govt. etc.) and the communities to take up programs that enrich the quality of life of the rural populace in a sustainable manner. The guiding principles for engagement with the community are enshrined in the "Community Development Policy". These principles are: **sustainability, participatory approach, transparency, networking & partnership, resource center and volunteering.**



We have various tools like Sustainability Scorecard, Environmental Performance Evaluation Tool which helps us in monitoring, analyzing and evaluating the health and progress of our various initiatives and projects in the Sustainability arena.

Every year brings with it a new set of business challenges. However, our endeavor has been to continuously improve through a structured analysis of our processes, past performance and future projects. We constantly evaluate where we are and raise the bar each year, while remaining firmly rooted in our core value systems. Looking into the future we can say that we aim to embed sustainability in all our processes, and fulfill the changing expectations of all our stakeholders namely customers, employees, investors, government, suppliers and community. Our continuing focus on '**The Human Touch of Chemistry**', will differentiate us from others and makes Tata Chemicals a company which values chemistry with conscience.

CORPORATE INFORMATION

Board of Directors

Ratan N. Tata
(Chairman)

R. Gopalakrishnan
(Vice-Chairman)

Nusli N. Wadia

Prasad R. Menon

Nasser Munjee

Dr. Yoginder K. Alagh

Dr. M. S. Ananth

Arun Nath Maira

Eknath A. Kshirsagar

R. Mukundan
Managing Director

Kapil Mehan
Executive Director

P. K. Ghose
Executive Director & CFO

Registered Office

Bombay House,
24, Homi Mody Street,
Fort, Mumbai 400 001
Tel: 022-66658282
Fax: 022-66658143

Visit us at: www.tatachemicals.com

Members of the Executive Committee

R. Mukundan	Managing Director
Kapil Mehan	Executive Director
P. K. Ghose	Executive Director & CFO
B. Sudhakar	Chief Human Resources Officer
Dr. Murali Sastry	Chief Scientific Officer
A. J. Gupta	Sr. Vice President - New Business & Projects

Company Secretary

Rajiv Chandan

Registrar & Share Transfer Agent

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

Debenture Trustees

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai 400 001

Solicitors

AZB & Partners, Mumbai
Mulla & Mulla and Craigie Blunt & Caroe, Mumbai.

Auditors

Delotte Haskins & Sells, Chartered Accountants
N. M. Rajji & Co., Chartered Accountants

Works

Inorganic Chemicals — Mithapur, Gujarat
Fertilisers — Babrala, Dist. Badaun, U.P.
Phosphate — Haldia, W. Bengal

Bankers

Bank of America, Bank of Baroda, Citibank N.A., Deutsche Bank, HDFC Bank Limited, Standard Chartered Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Ltd., ICICI Bank Ltd., Axis Bank Ltd., Kotak Mahindra Bank Ltd., DBS Bank

Company Identification No.

CIN L24239MH1939PLC002893

Tata Chemicals Limited

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Annual General Meeting	: July 30, 2009
Time	: 3.00 p.m.
Venue	: Birla Matushri Sabhagar, 19, Sir Vitthalidas Thackersey Marg, Mumbai - 400 020

BOOK CLOSURE DATES
JULY 16, 2009 — JULY 30, 2009

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTIETH ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Thursday, July 30, 2009 at 3.00 p.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business: -

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2009 and the Balance Sheet as at that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. R. Gopalakrishnan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. Yoginder K. Alagh, who retires by rotation and is eligible for re-appointment.
6. To appoint auditors and fix their remuneration.

7. **APPOINTMENT OF MR. ARUN NATH MAIRA AS A DIRECTOR**

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

"RESOLVED THAT Mr. Arun Nath Maira, who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 25, 2008 and who holds office up to the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

8. **APPOINTMENT OF MR. EKNATH A. KSHIRSAGAR AS A DIRECTOR**

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

"RESOLVED THAT Mr. Eknath A. Kshirsagar, who was appointed by the Board of Directors as an Additional Director of the Company with effect from November 26, 2008 and who holds office up to the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

9. **APPOINTMENT OF MR. R. MUKUNDAN AS A DIRECTOR**

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

"RESOLVED THAT Mr. R. Mukundan who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 26, 2008 and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

10. **APPOINTMENT OF MR. R. MUKUNDAN AS EXECUTIVE / MANAGING DIRECTOR**

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), read with Schedule XIII to the Act, including any statutory modification or re-enactment thereof, the approval of the Company is hereby accorded to the appointment of Mr. R. Mukundan, who was appointed by the Board as an Executive Director (Managing Director Designate) from November 26, 2008 to December 14, 2008 and as Managing Director of the Company from December 15,

Tata Chemicals Limited

2008 to November 25, 2013, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. R. Mukundan, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution."

11. APPOINTMENT OF MR. KAPIL MEHAN AS A DIRECTOR

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

"RESOLVED THAT Mr. Kapil Mehan who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 26, 2008 and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, ("the Act") but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

12. APPOINTMENT OF MR. KAPIL MEHAN AS AN EXECUTIVE DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, including any statutory modification or re-enactment thereof, the approval of the Company is hereby accorded to the appointment of Mr. Kapil Mehan, who was appointed by the Board as an Executive Director for a period of five years with effect from November 26, 2008 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Kapil Mehan, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution."

13. APPOINTMENT OF MR. P. K. GHOSE AS A DIRECTOR

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

"RESOLVED THAT Mr. P. K. Ghose who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 26, 2008 and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, ("the Act") but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

14. APPOINTMENT OF MR. P. K. GHOSE AS AN EXECUTIVE DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and such other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, including any statutory modification or re-enactment thereof, the approval of the members of the Company is hereby accorded to the appointment of Mr. P. K. Ghose, who was appointed by the Board as an Executive Director for a period of five years with effect from November 26, 2008 upon the terms and conditions (including the remuneration to be paid in the event

of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. P. K. Ghose, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution.”

15. AMENDMENT TO COMMON SEAL PROVISION IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 48 of the Companies Act, 1956, Articles of Association of the Company and other applicable provisions, if any, the consent of the Company be and is hereby accorded to amend the Article 179 of the Articles of Association of the Company to read as under:

“Every deed or other instrument to which the Seal of the Company is required to be affixed shall be signed by (a) two Directors, or (b) one Director and the Secretary, or (c) one Director and such other authorized person, as the Board or a duly constituted Committee thereof may appoint for the purpose; provided nevertheless that certificates of debentures may be signed by one Director only or by Attorney of the Company duly authorized in this behalf and certificates of shares shall be signed as provided in Article 16(a).”

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 7 to 15 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.

Book Closure and Dividend:

4. **The Register of Members and the Share Transfer Books of the Company will be closed from July 16, 2009 to July 30, 2009, both days inclusive.**
5. The dividend, if declared at the Annual General Meeting, will be paid on or after July 31, 2009 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on July 15, 2009 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as Members in the Register of Members of the Company on July 15, 2009 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before the aforesaid date.

6. Nomination Facility:

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

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

7. Electronic Clearing Services (ECS) facility:

To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the Company provides ECS facility to the members. ECS facility is available at locations identified by the Reserve Bank of India.

Tata Chemicals Limited

Members holding shares in physical form and who are desirous of availing this facility are requested to contact the Registrar & Share Transfer Agents of the Company.

Members holding shares in the electronic form are requested to contact their respective Depository Participants in this connection.

8. Unclaimed Dividends:**Transfer to General Revenue Account**

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

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

Transfer to the Investor Education and Protection Fund

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

Accordingly, the dividend which had remained unpaid / unclaimed from the financial year ended March 31, 1996 to March 31, 2001 have been transferred to the Fund in respect of the Company and that of erstwhile Hind Lever Chemicals Limited (since merged with the Company effective June 01, 2004), for the financial year ended December 31, 2001 have been transferred to the Fund.

It may be noted that the unpaid / unclaimed dividend for the financial year ended March 31, 2002 in respect of the Company is due for transfer to the Fund on July 17, 2009 and that of erstwhile Hind Lever Chemicals Limited, for the financial year ended December 31, 2002, is due for transfer to the Fund on September 26, 2009.

Members are requested to note that pursuant to Section 205(C) of the Act, no claim shall lie against the Company or the aforesaid Fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment. Any person / member who has not claimed dividend in respect of the financial year ended March 31, 2002 or any year thereafter is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same.

Bank Mandates

In order to provide protection against fraudulent encashment of the warrants, members holding shares in physical form are requested to intimate the Company / Registrar & Share Transfer Agents under the signature of the Sole / First holder, the following information to be incorporated on the Dividend Warrants:

- I. Name of the Sole / First joint holder and the Folio Number
- II. Particulars of Bank Account viz.,
 - a) Name of the Bank
 - b) Name of the Branch
 - c) Complete address of the Bank with Pin Code Number
 - d) Bank Account Number allotted by the Bank

In respect of other matters pertaining to bank details, ECS mandates, nomination, power of attorney, change in name / address etc., the members are requested to approach the Company's Registrar and Share Transfer Agents, in case of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company / Registrar and Share Transfer Agents, members are requested to quote their account / folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

9. E-mail Address:

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

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

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head- Legal

Mumbai
May 28, 2009

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

Tata Chemicals Limited**EXPLANATORY STATEMENT**

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 7 to 15 of the accompanying Notice dated May 28, 2009.

Item No. 7:

Mr. Arun Nath Maira was appointed as an Additional Director by the Board of Directors of the Company, with effect from September 25, 2008. In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Arun Nath Maira will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director of the Company.

Mr. Arun Nath Maira is M.Sc in Physics from St. Stephan's College, Delhi University. He was a member of the Tata Administrative Services and worked in several senior positions in the Tata Group in India and abroad for 25 years until 1989. He worked with Arthur D. Little Inc., the International Management Consultancy in the USA from 1989 to 1999 and consulted with companies across the world on issues, strategies and transformational changes. On returning to India in the year 2000 he became the Chairman of The Boston Consulting Group in India until April 2008 and he continues as a Senior Advisor to The Boston Consulting Group. Mr. Arun Nath Maira has a combination of hands-on leadership experience, consulting experience to leadership teams internationally and an author and speaker on the subjects of leadership and organization transformation.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Mr. Arun Nath Maira and therefore recommend for approval, the Resolution contained in Item No. 7 of the Notice convening the Annual General Meeting.

None of the Directors except Mr. Arun Nath Maira is concerned or interested in Item No. 7 of the Notice.

Item No. 8:

Mr. Eknath A. Kshirsagar was appointed as an Additional Director by the Board of Directors of the Company, with effect from November 26, 2008. In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Eknath A. Kshirsagar will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director of the Company.

Mr. Eknath A. Kshirsagar is a Fellow Member of The Institute of Chartered Accountants of India and of The Institute of Chartered Accountants, England and Wales. Mr. Eknath. A. Kshirsagar joined M/s. A. F. Ferguson, Management Consultancy Division in 1973 and worked with them in various capacities and he was Director-in-Charge from 1988 to 2004. Mr. Eknath A. Kshirsagar has wide experience in the field of Corporate Strategy & Structuring, Mergers & Acquisitions, Valuations and Feasibility Studies and has conducted several assignments in these areas for large Indian Groups, Multinationals, Public Sector Undertakings and Governments in India, Middle East (including Iran) and Africa. Mr. Eknath A. Kshirsagar presently serves as an Independent Director on the Boards of various Indian and Multinational Companies.

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

None of the Directors except Mr. Eknath A. Kshirsagar is concerned or interested in Item No. 8 of the Notice.

Item No. 9 to 14:

- a. Mr. R. Mukundan was appointed as an Additional Director of the Company with effect from November 26, 2008 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 160 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, Mr. R. Mukundan holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director of the Company. Further, the Board had also appointed Mr. R. Mukundan as an Executive Director (Managing Director Designate) from November 26, 2008 to December 14, 2008 and as the Managing Director of the Company from December 15, 2008 in place of Mr. Homi R. Khusrokhhan, on his retirement from December 14, 2008 upon reaching the age of superannuation.

- b. Mr. R. Mukundan joined the Tata Administrative Services in 1990. He is an MBA from FMS, Delhi University and BE-Electrical Engineering from IIT, Roorkee. He attended the Advanced Management Programme at Harvard Business School in 2008. He joined Tata Chemicals Ltd. in 2001 and has led various functions like Strategy & Business Development, Corporate Quality & Business Excellence, Corporate Planning and Manufacturing. He was the Executive Vice President of the Global Chemicals Business and the Consumer Products from 2007. Prior to joining Tata Chemicals, he worked in the Tata Group's Automotive and Hospitality businesses.
- c. Mr. Kapil Mehan was appointed as an Additional Director of the Company with effect from November 26, 2008 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 160 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, Mr. Kapil Mehan holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director of the Company. Further, the Board had also appointed Mr. Kapil Mehan as an Executive Director of the Company from November 26, 2008.
- d. Mr. Kapil Mehan joined Tata Chemicals Ltd. in 1996. After graduating in veterinary sciences from Punjab Agricultural University, Ludhiana, Mr. Kapil Mehan obtained a Postgraduate Diploma in Management from the IIM, Ahmedabad in 1981. He attended the Advanced Management Programme at Harvard Business School in 2008. He was appointed as an Executive Vice President-Crop Nutrition and Agri Business of Tata Chemicals Ltd. in 2007. Before joining Tata Chemicals Ltd. in 1996, he worked with Rallis India Ltd. for over 14 years. During his 12 years with Tata Chemicals Ltd., he has headed Sales and Marketing function for the Company for all its product segments like industrial chemicals, fertilizers, cement and consumer products.
- e. Mr. P. K. Ghose was appointed as an Additional Director of the Company with effect from November 26, 2008 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 160 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, Mr. P. K. Ghose holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director of the Company. Further, the Board had also appointed Mr. P. K. Ghose as an Executive Director of the Company from November 26, 2008.
- f. Mr. P. K. Ghose joined Tata Chemicals Ltd. in 2002 as CFO. He is an Honours Graduate in Commerce and a member of the Institute of Cost and Works Accountants of India, the Institute of Company Secretaries of India and is an alumnus of the Advanced International General Management Programme of CEDEP, (INSEAD) France. He was elevated as Executive Vice President & CFO in 2007. Prior to joining Tata Chemicals Ltd., he was with Tata Steel Ltd. and worked with Tata Steel Ltd. in several senior positions, including General Manager (Accounts), Chief Financial Controller (Corporate) and Chief of Strategic Finance.
- g. The principle terms and conditions of appointment of Mr. R. Mukundan as Managing Director and of Mr. Kapil Mehan and Mr. P. K. Ghose as Executive Directors are as under:-

MR. R. MUKUNDAN

(i) **Period:**

For a period of five years - As an Executive Director (Managing Director Designate) from November 26, 2008 to December 14, 2008 and Managing Director from December 15, 2008 to November 25, 2013.

(ii) **Nature of Duties:**

Mr. R. Mukundan shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

(iii) (a) **Remuneration:**

Salary - Rs 2,50,000/- per month. The annual increments which will be effective 1st April each year, (starting from April 2010) as may be decided by the Board, based on merit and taking into account

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the Company's performance; benefits, perquisites and allowances as determined by the Board from time to time; and incentive remuneration and /or commission based on certain performance criteria to be prescribed by the Board.

(b) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. R. Mukundan, the Company has no profits or its profits are inadequate, the Company will pay to Mr. R. Mukundan, remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

MR. KAPIL MEHAN**(i) Period:**

For a period of five years from November 26, 2008 to November 25, 2013.

(ii) Nature of Duties:

Mr. Kapil Mehan shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and / or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Managing Director and / or the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

Mr. Kapil Mehan shall not exceed his powers so delegated by the Managing Director and / or Board pursuant to this clause.

(iii) (a) Remuneration:

Salary - Rs 2,25,000/- per month. The annual increments which will be effective 1st April each year, (starting from April 2010) as may be decided by the Board, based on merit and taking into account the Company's performance; benefits, perquisites and allowances as determined by the Board from time to time; and incentive remuneration and /or commission based on certain performance criteria to be prescribed by the Board.

(b) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Kapil Mehan, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Kapil Mehan, remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

MR. P. K. GHOSE**(i) Period:**

For a period of five years from November 26, 2008 to November 25, 2013.

(ii) Nature of Duties:

Mr. P. K. Ghose shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and / or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Managing Director and / or the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

Mr. P. K. Ghose shall not exceed his powers so delegated by the Managing Director and / or Board pursuant to this clause.

(iii) (a) **Remuneration:**

Salary - Rs 2,25,000/- per month. The annual increments which will be effective 1st April each year, (starting from April 2010) as may be decided by the Board, based on merit and taking into account the Company's performance; benefits, perquisites and allowances as determined by the Board from time to time; and incentive remuneration and / or commission based on certain performance criteria to be prescribed by the Board.

(b) **Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. P. K. Ghose, the Company has no profits or its profits are inadequate, the Company will pay to Mr. P. K. Ghose, remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

- h. The Directors are of the view that the appointment of Mr. R. Mukundan as an Executive Director / Managing Director and the appointment of Mr. Kapil Mehan and Mr. P. K. Ghose as Executive Directors will greatly benefit the operations of the Company and the remuneration payable to them is commensurate with their abilities and experience.
- i. The terms and conditions of appointment of Mr. R. Mukundan, Mr. Kapil Mehan and Mr. P. K. Ghose (hereinafter referred to as "the Appointees") also include , inter-alia, following principal clauses:
- (i) The Appointees shall adhere with the Tata Code of Conduct, no conflict of interest with the Company, intellectual property and maintenance of confidentiality.
 - (ii) The Appointees shall not become interested or otherwise concerned, directly or indirectly through their respective spouse and / or children, in any selling agency of the Company.
 - (iii) These appointments may be terminated by either party by giving six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.
 - (iv) The employment of the Appointees may be terminated by the Company without notice or payment in lieu of notice:
 - a. If the Appointees are found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which they are required by the Agreement to render services; or
 - b. In the event of any serious or repeated or continuing breach (after prior warning) or non observance by the Appointees of any of the stipulations contained in the Agreement to be executed between the Company and the Appointees; or
 - c. In the event the Board expresses its loss of confidence in the Appointees.
 - (v) In the event the Appointees are not in a position to discharge their official duties due to any physical or mental incapacity, the Board shall be entitled to terminate their contracts on such terms as the Board may consider appropriate in the circumstances.
 - (vi) Upon termination of the Appointees' employment, by whatever means:
 - a. The Appointees shall immediately tender their resignations from the offices held by them in any subsidiaries and associated companies and other entities without claim for compensation for loss of office and in the event of their failure to do so the Company would be irrevocably authorized to appoint some person in their name and on their behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which they are, at the material time, Director or other officer.
 - b. The Appointees shall not without the consent of the Company at any time thereafter represent themselves as connected with the Company or any of the subsidiaries or associated companies.

Tata Chemicals Limited

- vii) The Appointees are appointed as Directors by virtue of their employment in the Company and their appointment shall be subject to the provisions of Section 283(1)(l) of the Act.
- viii) If and when the Agreements expire or are terminated for any reason whatsoever, the Appointees shall cease to be the Managing Director / Executive Directors, as the case may be, and also cease to be the Directors. If, at any time, the Appointees cease to be the Directors of the Company for any reason whatsoever, they shall cease to be the Managing Director / Executive Directors, as the case may be, and the Agreements shall forthwith terminate. If at any time the Appointees shall cease to be in the employment of the Company for any reason whatsoever, they shall cease to be the Managing Director / Executive Directors, as the case may be.
- ix) The terms and conditions of the appointments may be altered or varied by the Board of Directors, as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or amendments made hereafter in this regard, subject to such approvals as may be required.
- j. In compliance with the provisions of Sections 198, 269, 309 and any other applicable provisions of the Act read with the Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.
- k. Abstract in terms of Section 302 of the Act pertaining to the terms of appointment and remuneration payable to Mr. R. Mukundan, Mr. Kapil Mehan and Mr. P. K. Ghose was duly sent to the members in the month of December, 2008.
- l. The draft agreements between the Company and Mr. R. Mukundan, Mr. Kapil Mehan and Mr. P. K. Ghose are available for inspection by the members of the Company at its Registered Office between 10.00 am to 13.00 pm on any working day of the Company.
- m. Mr. R. Mukundan, Mr. Kapil Mehan and Mr. P. K. Ghose are concerned or interested in the Resolutions at Item Nos. 9 to 14 of the accompanying Notice related to their individual appointments.
- n. The Board commends the resolutions at Item Nos. 9 to 14 of the accompanying Notice for approval of the Members.

Item No 15:**Amendment to Common Seal provision in the Articles of Association of the Company**

Article No. 179 of the Articles of Association of the Company stipulates that whenever common seal of the Company is affixed on any documents wherever required, the same should be countersigned by any two Directors of the Company. For operational convenience it is proposed that this common seal provision of countersigning by any two Directors be amended to countersigning by (a) two Directors, or (b) One Director and the Secretary, or (c) One Director and such other authorized person, as the Board or a duly constituted Committee thereof may appoint for the purpose.

Accordingly, the members' approval is being sought for amending the Article No. 179 of the Articles of Association of the Company.

The Directors recommend the resolution contained in Item No. 15 for approval by the members.

None of the Directors is concerned or interested in the resolution at Item No. 15 of the Notice.

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head- Legal

Mumbai
May 28, 2009

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

Details of the Directors seeking appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Details of Directors seeking Appointment at the Annual General Meeting

Particulars	Mr. Arun Nath Maira	Mr.E.A.Kshirsagar	Mr.R.Mukundan	Mr.Kapil Mehan	Mr.P.K.Ghose
Date of Birth	August 15, 1943	September 10, 1941	September 19, 1966	May 30, 1958	September 03, 1950
Date of Appointment	September 25, 2008	November 26, 2008	November 26, 2008	November 26, 2008	November 26, 2008
Qualifications	B.Sc and M.Sc in Physics from St. Stephan's College, Delhi University	Fellow member of The Institute of Chartered Accountants of India and The Institute of Chartered Accountants, England and Wales.	BE (Electrical Engineering) from IIT, Roorkee and MBA from FMS, Delhi University. Also attended the Advanced Management Programme at Harvard Business School in 2008.	Graduate in Veterinary Sciences & Animal Health from Punjab Agricultural University, Ludhiana, Post Graduate Diploma in Management (Agriculture) from IIM, Ahmedabad. Also attended the Advanced Management Programme at Harvard Business School in 2008.	Honours Graduate in Commerce and a member of The Institute of Cost and Works Accountants of India, The Institute of Company Secretaries of India and is an alumnus of the Advanced International General Management Programme of CEDEP, (INSEAD) France.
Expertise in specific functional areas	International Management Consultant on issues of growth, strategies and transformational change.	Wide experience in the field of Corporate Strategy & Structuring, Mergers & Acquisitions, Valuations and Feasibility.	Wide experience in the field of Strategy & Business Development, Corporate Quality & Business Excellence, Corporate Planning and Manufacturing.	Wide experience in Agri sector businesses such as Pesticides, Seeds and Fertilizers. Business Excellence area under TBEM and Sales and Marketing functions.	Wide experience in the field of Corporate Finance and Accounts.
Directorships in other Public Limited Companies*	<ul style="list-style-type: none"> · Patni Computer Systems Limited · Aditya Birla Nuvo Limited · Mahindra Ugin Steel Company Limited · Hero Honda Motors Limited · Godrej Industries Limited 	<ul style="list-style-type: none"> · Batliboi Limited · JM Financial Limited · Rallis India Limited · HCL Infosystems Limited · Merck Limited 	Nil	Nil	Nelco Limited Tata Services Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders'/Investors' Grievance Committee)	Shareholders'/ Investors' Grievance Committee <ul style="list-style-type: none"> · Patni Computer Systems Limited 	Audit Committee <ul style="list-style-type: none"> · Batliboi Limited · JM Financial Limited · Rallis India Limited · Merck Limited Shareholders'/ Investors' Grievance Committee <ul style="list-style-type: none"> · HCL Infosystems Limited · Rallis India Limited 	Nil	Nil	Audit Committee <ul style="list-style-type: none"> · Nelco Limited
No. of shares held in the Company	1251	Nil	Nil	400	Nil

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

Tata Chemicals Limited
Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Mr. R.Gopalakrishnan	Nasser Munjee	Dr. Yoginder K. Alagh
Date of Birth	December 25, 1945	November 18, 1952	February 14, 1939
Date of Appointment	October 30, 1998	September 25, 2006	September 25, 2006
Qualifications	B.Sc (Physics), B.Tech (IIT)	B.Sc (Hons.) and M.Sc. (Econ) – London School of Economics	Ph.D in Economics
Expertise in specific functional areas	Wide experience in Marketing and General Management.	Eminent Economist, Banker and Consultant on Infrastructure.	Eminent Economist with wide experience in policy making and planning.
Directorships in other Public Limited Companies*	<ul style="list-style-type: none"> · Tata Sons Ltd. · Tata Motors Ltd. · Tata Power Co. Ltd. · Rallis India Ltd. · Tata AutoComp Systems Ltd. · Tata Technologies Ltd. · ICI India Ltd. · Castrol India Ltd. 	<ul style="list-style-type: none"> · Development Credit Bank Ltd. · ABB Ltd. · Ambuja Cements Ltd. · Apollo Health Street Ltd. · Bharti AXA Life Insurance Co. Ltd. · Ciba India Ltd. · Cummins India Ltd. · HDFC Limited. · Indian Railway Finance Corporation Ltd. · Shipping Corporation of India Ltd. · Tata Motors Ltd. · Unichem Labs. Ltd. · Voltas Ltd. 	<ul style="list-style-type: none"> · Shree Cement Ltd.
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	<p>Audit Committee</p> <ul style="list-style-type: none"> · ICI India Ltd. · Castrol India Ltd. <p>Shareholders' / Investors' Grievance Committee</p> <ul style="list-style-type: none"> · Tata Motors Ltd. 	<p>Audit Committee</p> <ul style="list-style-type: none"> · ABB Ltd. · Cummins India Ltd. · Indian Railway Finance Corporation Ltd. · Tata Motors Ltd. 	<p>Audit Committee</p> <ul style="list-style-type: none"> · Shree Cement Ltd. <p>Shareholders' / Investors' Grievance Committee</p> <ul style="list-style-type: none"> · Shree Cement Ltd.
No. of shares held in the Company	15,000	Nil	Nil

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

DIRECTORS' REPORT

TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their seventieth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2009:

FINANCIAL RESULTS

Particulars	Rupees in crores			
	Standalone		Consolidated	
	2008-09	2007-08	2008-09	2007-08
Total Income	8549.51	4677.37	12341.04	6607.01
Profit before Depreciation, Impairment & Exceptional items	883.78	1304.45	1666.46	1557.34
Less : Depreciation and Impairment	131.19	148.76	541.86	313.83
(Add)/ Less : Exceptional items	92.32	(1.41)	207.28	67.64
Profit before tax	660.27	1157.10	917.32	1175.87
Tax	208.22	207.92	157.51	211.47
Profit after tax	452.05	949.18	759.81	964.40
Minority Interest	-	-	111.71	-
Profit Attributable to shareholders	452.05	949.18	648.10	964.40
Add :				
Balance in Profit and Loss Account	1574.10	967.07	1728.46	1106.21
Amount available for Appropriation	2026.15	1916.25	2376.56	2070.61
Appropriations -				
(a) Proposed Dividend	211.65	211.25	211.65	211.25
(b) Tax on Dividend	35.97	35.90	35.97	35.90
(c) General Reserve	45.21	95.00	45.21	95.00
(d) Legal Reserve	-	-	2.58	-
(e) Balance Carried forward	1733.32	1574.10	2081.15	1728.46
	2026.15	1916.25	2376.56	2070.61

Exceptional items include notional exchange loss /(gain) on restatement of long term borrowings and actuarial deficit for overseas pension liabilities. The total income for the previous year includes Rs. 487.47 crores being the profit on sale of investments.

DIVIDEND

For the year under review, the Directors have recommended a dividend of Rs. 9.00 per share (Rs. 9.00 per share for the previous year), on the Equity shares of the Company, aggregating to Rs.247.62 crores (including Dividend Tax).

PERFORMANCE REVIEW:

Tata Chemicals Limited's (TCL or the Company) operation are organised under two segments i.e. Inorganic Chemicals and Fertilisers. Industrial Chemicals and Consumer Products are part of Inorganic Chemicals segment. Crop Nutrition and Agri-Business are part of Fertiliser Segment. A performance review of these businesses are as under:

1. INORGANIC CHEMICALS SEGMENT

1.1 INDUSTRIAL CHEMICALS

1.1.1 INDIA OPERATIONS:

During the year, Industrial Chemicals in India achieved sales of Rs. 1538.74 crores, reflecting a growth of 22.56%, as compared to sales of Rs. 1255.54 crores in the previous year. This growth was achieved in a

Tata Chemicals Limited

difficult economic environment characterizing the second half of the year, with demand and prices declining significantly compared to the first half. Impending signs of the economic slowdown were identified early on and appropriate actions to maintain profitability and conserve cash were put in place in the form of Project ADAPT (Action for Downturn Alleviation for Profitability in Turbulent Times).

Soda Ash

The tight market conditions that prevailed for Soda Ash globally throughout the previous year and the first half of the year under review underwent a marked change towards the second half of the year both on account of increased capacities coming on stream in China and rapid erosion of demand by consuming sectors.

Realizations during the second half of the year also had to be adjusted to counter substantially increased imports into the country, especially from China, and input cost reliefs, whenever they were fully realized, were passed on to the consumer.

The Company's domestic production of soda ash for the year under review at 695,115 tonnes was marginally lower as compared to the previous year, this was despite the fact that production had to be substantially adjusted in the second half of the year to match demand conditions. The Company achieved sales of 670,396 tonnes of soda ash during the year, which was 1.44% lower than the previous year.

Sodium Bicarbonate

During the year, the Company achieved the highest ever Sodium Bicarbonate production of 63,510 tonnes, which was 3.28% higher than in the previous year. Sales at 63,941 tonnes were 2.56% higher than the previous year for a product, which, till now, has been relatively insulated from the slowdown.

Sodium Tri Poly Phosphate (STPP)

The STPP business was adversely impacted by an unprecedented increase in the cost of key inputs – sulphur and rock phosphate and unabated cheap imports from China. Prices of both these inputs stabilized at normal levels during the second half of the year, thereby allowing production of STPP economically for the time being.

Total production of STPP at 26,912 tonnes was lower by 39.40% as compared to previous year and sales at 26,575 tonnes were also lower by 40.57% than in the previous year.

Cement

Cement demand and prices held up well throughout the entire year and as a consequence production and sales also were higher than in the previous year. Production and sales of cement during the year were 405,325 tonnes and 390,340 tonnes, respectively, as against 380,907 and 373,670 tonnes in the previous year.

1.1.2 OVERSEAS OPERATIONS**1.1.2.1 General Chemicals Industrial Products Inc., USA. (GCIP)**

During the year, GCIP achieved its highest ever gross sales of USD 287.42 million (Rs. 1322.61 crores). Production remained relatively stable during the first three quarters of the year. However, actions to match production levels with market demand were put in place in the second half of the year in response to decline in demand. As a result, GCIP's production of Soda Ash for the year under review at 2,205,171 MT was lower by 5.57% as compared to the previous year.

GCIP achieved sales of 2,218,084 MT of soda ash during the year, which was 7.20% lower than the previous year. As a result of successful customer price negotiations for calendar year 2009, the average price ex-works during the January 2009 – March 2009 period increased by 13.5% versus the previous three fiscal quarters.

1.1.2.2 Brunner Mond – Europe

Brunner Mond Europe performed well overall in 2008-09, by achieving sales turnover of GBP 189.40 million (Rs. 1483.74 crores) registering a growth of 31.94% over the previous year. Favourable market conditions prevailed in Europe during the first two quarters and part of third quarter of 2008-09. However, demand dropped significantly during the last quarter of the year.

Soda Ash

Soda ash production, at 923,000 tonnes was the best ever output achieved from the two factories in the UK. 2008-09 was the first full year of benefits from the STEP programme, which reflected in the production figures and resulted in major reduction in maintenance costs.

The significant price increases achieved in Europe during 2008-09 were reversed to a large extent in mainland Europe in the fourth quarter and are expected to unwind a little in the UK during the next twelve months.

Sodium Bicarbonate

The UK bicarbonate plant achieved its highest ever production at 75,800 tonnes. Sales were also a record 77,400 tonnes. In addition, the Netherlands bicarbonate business was ahead of budget in terms of volumes and won significant high value haemodialysis business. Construction of the new bicarbonate facility at the Lostock factory in the UK was substantially completed, and is now being commissioned with full order books.

Price and demand for sodium bicarbonate are, however, demonstrating relative resilience in a difficult environment.

1.1.2.3 Magadi Soda Company, Kenya.

Sales grew from USD 91.91 million (Rs. 370 crores) to USD 130.90 million (Rs. 602.33 crores) registering growth of 42.41%. In spite of high depreciation costs associated with the new Premium Ash Plant (PAM), profits after tax also increased from a negative USD 9.42 million (Rs. 37.92 crores) to USD 6.33 million (Rs. 29.14 crores).

The combined sales of both Standard Ash (SAM) and Premium Ash (PAM) increased by 12% from 413,000 tonnes to 463,000 tonnes. This performance could have been better but for erosion in demand during the last four months of the year caused by the global economic downturn. A notable development was the significant improvement in the reliability of the PAM plant which produced 156,000 tonnes compared to 56,000 tonnes in the previous year. This is in spite of production adjustments towards the end of the year that were necessary to reflect declining demand in all our markets.

The relatively good performance was helped by high market prices for soda ash in the first half of the year. Revenue gains accruing from high prices were, however, eroded by high fuel and electricity costs, intense competition triggered by availability of cheap Chinese soda ash in all our markets and partial outsourcing of trona excavation necessitated by our dredging equipment reliability issues.

Although the outlook for the future continues to be challenging, the Company expects to see performance improvements in the years to come as a result of heightened focus on cost reduction and cash conservation measures.

1.2 CONSUMER PRODUCTS:

Consumer Products continued its journey on the path of collaborative and inclusive growth in 2008-09 by leveraging its distribution system and strong brand equity.

2008-09 has been the year of highest ever Iodised Salt production in Mithapur. Salt production reached its highest ever level of 534,452 MT in 2008-09, up 6.69% from 500,920 MT in 2007-08.

Overall sales grew by 4.79% from 487,425 MT in 2007-08 to 510,766 MT in 2008-09. The TCL Salt portfolio has increased its market share to 57% in the National Branded Salt segment as compared to 50% in 2007-08. Amongst the major brands, Tata Salt grew by 5% in volumes from 464,522 MT in 2007-08 to 490,025 MT in 2008-09 with market share of 44.1%. I-Shakti registered a volume growth of 92% from 78,907 MT in 2007-08 to 151,205 MT in 2008-09 (market share of 13.4% in 2008-09 v/s 2.8 % in 2007-08). I-Shakti has now become the most distributed brand after Tata Salt with a reach of 4.95 lacs retail outlets. Sales turnover of salt business grew by 30.52% from 405.85 crores in 2007-08 to 529.71 crores in 2008-09.

Tata Salt has also regained the status of Most Trusted Food Brand as per The Economic Times Most

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Trusted Brand Study 2008, which reflects the level of trust consumers place on the purity and quality of Tata Salt. Tata Salt Brand also leads in Brand Equity Index which is almost double that of its nearest competitor within the salt category.

Tata Salt Lite, a low sodium salt with a 15% lower sodium content than normal salt was extended across India in a phased manner in 2008-09. The brand has generated encouraging response from health conscious consumers across Metros and Mini Metros and has already become the market leader in the Premium Low-Sodium Salt Segment. Tata Salt Lite has also helped to add a dimension of modernity, innovation and premium to TCL salt portfolio.

The Consumer Products also continuing its journey of innovation through new product development through salt variants and bi-carbonate based products which are in various stages of development.

2. FERTILISER SEGMENT

TCL's presence in Fertiliser Sector comprises of three business units – the Crop Nutrition (manufacturer & marketer of crop nutrients), Agri-business through the Tata Kisan Sansar retail network (one stop farm centers offering quality agricultural inputs and agri solutions) and the joint venture in Morocco for manufacture of Phosphoric Acid.

2.1 CROP NUTRITION

The Crop Nutrition comprises of sales of Urea, DAP, NPK, SSP manufactured at the Company's Babrala and Haldia plants. Additionally, the Company imports and sells MOP and DAP and supplies other crop nutrition products like Specialty Fertilizers and organic materials. The Crop Nutrition and Agribusiness operations of the Company achieved a turnover of Rs. 6400 crores during the year 2008-09, a substantive growth of 155% over the previous year.

While the Company's Crop Nutrition operations achieved record sales during the year under review, increase in input costs for the industry, without corresponding revision in Government approved selling prices for fertilizers, which have not been corrected for several years now, resulted in a sharp increase in subsidy payout. In order to bridge the gap of subsidy outstanding, Government has issued Fertilizer Bonds, of which Rs. 1019 crore of subsidy dues to the Company were received during the year. Delays in receipt of subsidy have also caused severe working capital constraints for the industry as a whole and an increased burden of interest cost. Strong representations have been made to the Government on this subject and it is hoped that some changes will be made to policy.

For decontrolled fertilizers like DAP, NPK and SSP, prices and input costs reached historic highs in the first half of the year and declined to normal levels in the second half.

Prices for these fertilizers are closely linked to their international prices or their inputs, managing the risk of temporal mismatch between fertilizer prices and input costs is the main challenge.

Some far reaching policy decisions have, however, been announced by the Government of India which are summarized herein below –

- a. Aligning phosphate and potassic fertilizer prices to international prices. Cost plus approach was discarded for majority of products.
- b. New market linked price norms introduced for additional production of urea. This again is a structural shift away from cost plus approach to import price parity with a collar and cap.
- c. Natural gas utilization policy: Urea manufacturing has been accorded highest priority for use of KG Basin gas. This priority is not only for existing shortfall but also for future requirements.
- d. SSP pricing policy changed to take international raw material prices into account.

While these policy decisions will enable the Company to evaluate growth opportunities in the business, many policy corrections are still required to be undertaken. Some of these are:

- ❖ Recognizing genuine increases in input costs for determination of subsidy.
- ❖ Ensuring suitable policy mechanisms to address effect of significant declines in international prices

of crop nutrients.

- ❖ Enabling and facilitating expansion of domestic capacity of Urea vis-à-vis long term gas supply contracts.
- ❖ Release of subsidy only in cash and buyback of bonds already issued by the Government or alternatively, compensation for losses incurred on the same.

Specific comments on the performance of key products in Crop Nutrition are as follows:

Urea

At Babrala, the debottlenecking project was completed during the year. Total capital of Rs 203.50 crores was spent to increase the capacity of Urea to 3500 MTPD. The plant was shut down during Oct-Nov 2008 to set up new equipment/modify existing equipment. The plant re-commenced operations in the third week of December and has since achieved full capacity. During the Jan-March 2009 quarter, the plant achieved a production of 308,598 MT v/s last year's production of 286,499 MT during the same period.

During the fiscal year 2008-09, the Babrala plant produced 1,020,691 MT of Urea as compared to the previous year's production of 1,070,308 MT. Sales of Urea at 1,067,189 MT for the year account for 4% of India's total urea market as compared to previous year 1,043,047 MT of 3.9%. TCL urea sales registered a growth of 2.31% in 2008-09.

DAP / NPK / SSP

The Haldia plant achieved a combined production of 691,849 MT of DAP, NPKs and SSP during the year 2008-09 against last year's production of 723,197 MT. The sales of DAP, NPKs and SSP were 705,217 MT against 769,232 MT last year. Production was lower due to high prices of raw materials, notably phosphoric acid, which did not allow for economical manufacture of these fertilizers. The plant had to be closed for the period of over 2 months during the year due to the above.

Imports (DAP / MOP)

India as a whole imports over 25% of its requirement of finished fertilizers such as DAP & MOP (~ 17.5 million MT in 2008-09). In order to fulfill the requirements of key fertilizers for its customers, the Company too imports these fertilizers. Sales of traded DAP and MOP increased to 462,419 MT in 2008-09 as against 152,970 MT in 2007-08.

Specialty Crop Nutrients and Micro-Nutrients

With the focus on serving specific needs of the farmer, the Company expanded its offerings to include specialty fertilizers like Calcium Nitrate, Zinc Sulphate, Bentonite Sulphur etc. Sales of Rs. 80 crores were achieved during the year 2008-09 from these products. The Company's extensive network of dealers and retailers helped it achieve record sales. The Tata Paras brand continues to enjoy a very high farmer loyalty.

2.2 TATA KISAN SANSAR (TKS)

Tata Kisan Sansar is a Service offering from TCL for rural agri-inputs. TCL in evolving this into a partnership model that co-creates value with farmers. The TKS outlets offer a variety of services and have become a trusted interface, providing a variety of farming solutions, such as advice on crops and farming practices, contract farming arrangements and market linkages for agricultural produce. Over 600 TKS outlets are operational in seven states in the Northern and Eastern regions of the country. 2008-09 has been a period of consolidation for the network for stabilizing the Supply Chain while significantly improving the value offered through the TKS outlets.

The network follows a hub and spoke model with 32 hubs (or Tata Kisan Vikas Kendras) that act as central resource centers to service the TKS's, which, in turn, service around 20,000 villages and gives the Company access to over two million farmers. The TKS outlets have, over the years, built a strong relationship with farmers. These outlets offer variety of services and have become a trusted interface, providing a variety of farming solutions, such as advice on crops and farming practices, contract farming arrangements and

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market linkages for agricultural produce.

Several offerings from other Tata Group Companies viz. Rallis, Tata Steel and Tata Agrico are now made available through the TKS outlets strengthening the TATA Brand presence in rural India. At the same time, this interface has also given TCL deep insights into the issues and problems of rural India. This business achieved a significant growth during the year with a turnover of Rs. 493 crores v/s turnover of Rs. 95 crores last year.

2.3 INDO MAROC PHOSPHORE S.A. (IMACID)

TCL holds 1/3rd shareholding in a joint venture in IMACID, a Morocco based company towards the objective of securitization of Phosphoric acid supply.

IMACID faced a volatile business environment during the year with manifold increases in Phosphoric acid prices as well as input prices. The gap between rated capacity and actual production as achieved during the year was due to limitations in respect of Sulphuric acid and a volatile price environment. In the year 2009-10, efforts would be made to run the plant at full capacity. Going forward, alignment between prices of phosphoric acid and rock phosphate would be targeted.

3. NEW BUSINESSES**3.1 KHET-SE AGRIPRODUCE INDIA PRIVATE LIMITED – Fresh Produce business**

In January 2007, Khet-Se Agriproduce India Private Limited, (Khet-se) a joint-venture (JV) between TCL and Total Produce, Ireland, one of Europe's largest fresh produce providers, was formed. This JV was formed with the objective of bridging the gap between producer and end consumer in fresh produce business, which will significantly increase efficiencies, improve shelf-life and reduce product loss in the supply chain.

Operations of Khet-Se began in May 2008 with the launch of its first state-of-the-art procurement and distribution facility for fresh fruits and vegetables at Malerkotla, Punjab. This distribution centre has the facility of sorting, grading and packing of all fresh produce; four ripening chambers of 10 MT capacity each (to ripen fruits like Banana) and four cold storages of 25 MT each. The center will cater to the fresh produce requirements of Ludhiana and adjoining areas. It also has procurement bases in Jalgaon, Nasik and Solan from where fresh produce is procured and supplied to the distribution center in Malerkotla for further supplies in Ludhiana. Khet-se has also started its fresh produce trading in Mumbai also and has plans to come up with a similar kind of distribution center as in Malerkotla.

Khet-se achieved a total distribution of 3660 MT of fresh produce valued at Rs. 3.70 crores. During the last three months of 2008-09, Khet-Se has also ventured in fresh produce exports wherein it has successfully exported consignments of Pomegranate and Grapes to Dubai, Ireland and Germany.

3.2. BIOFUELS

The Company is setting up a 30 KL per day bioethanol plant at Nanded, Maharashtra, using sweet sorghum as feedstock. The construction of the plant has been completed, and the plant is expected to be commissioned in September 2009, when the feedstock will be available. The arrangements for undertaking large scale cultivation of sweet sorghum in Nanded district are being made.

The Company undertook field research on Jatropha, a non-edible tree crop for biodiesel production. The multi-location trials are giving useful information about the crop. The Company during the year acquired a 33.80% stake in JOil Singapore Pte Ltd., (JOil) a company promoted by Temasek Life Sciences Laboratory (TLL), Singapore and other investors. JOil will be producing tissue culture seedlings of Jatropha, and also collaborating with TLL for undertaking research to develop improved Jatropha varieties.

4. INNOVATION AND TECHNOLOGY**4.1 INNOVATION CENTER**

The Innovation Centre (IC) is now into its fourth year of operations and is currently working on 23 ongoing

projects that are in different stages of development. The objective is to develop products which are less capital intensive and more sustainable in the longer term. The key area of focus for the IC is the intersection between Bio and Nano Technology. Since inception, a pool of highly qualified scientists, which include nanotechnologists, biotechnologists, molecular biologists, experts in catalysis and bioengineering have been recruited, numbering around 35. Over the next three years, the Centre will increase the workforce to enhance efforts in key research areas and build capability for commercialization of products and processes. There is a dedicated team in place that deals with issues related to business development, intellectual property and patents. In addition to identification and development of new business streams for the Company, the IC also works with a number of Tata companies on projects of mutual interest.

The Company has acquired land on the outskirts of Pune for constructing a state-of-the-art dedicated R&D centre, which will become its central knowledge hub. The R&D team currently operates out on a leased facility in Pirangut, in Pune.

4.2 TATA CHEMICALS CENTRE FOR AGRICULTURE & TECHNOLOGY (CAT)

In order to provide appropriate advice to farmers on farming practices in general and crop nutrition practices and solutions in particular, a development centre viz. Centre for Agriculture & Technology (CAT) has been set up in Aligarh (U.P.) This Centre is staffed with experienced scientists who are working in various areas of agri-technology. Specific projects have been undertaken on determining area and crop specific nutrition products and combinations, soil health tracking through indexing etc. The CAT is expected to provide the Company a competitive edge in future in its crop nutrition and agri business operations. It is expected that this centre would provide a very strong base for growth of Company in its customized fertilizer business, Specialty crop nutrient business and Agribusiness.

SUBSIDIARIES & JOINT VENTURES

The Consolidated Financial Statements of subsidiaries and joint-ventures have been prepared in accordance with Accounting Standards 21 and 27 of The Institute of Chartered Accountants of India, forms part of the Annual Report and are reflected in the Consolidated Accounts of the Company.

Subsidiaries:

The consolidated financial results reflect the operations of following subsidiaries:

- Brunner Mond Group Limited (BMGL), Homefield Pvt. UK Limited, the UK SPV, and its holding company, Homefield International Pvt. Limited, Mauritius.
- Valley Holding Inc., US, the holding company for General Chemical Industrial Products Inc., US, Gusiute Holdings (UK) Limited, the UK SPV, Wyoming 2 (Mauritius) Pvt. Limited, Mauritius SPV, and its holding company, Wyoming 1 (Mauritius) Pvt. Limited.
- Bio Energy Venture-1(Mauritius) Pvt. Limited, its 100% subsidiaries Bio Energy Venture-2 (Mauritius) Pvt. Limited and Tata Chemicals Asia Pacific Pte. Limited.

Joint Ventures:

Indo Maroc Phosphore S.A., (IMACID) is a joint-venture company established in Morocco for the purpose of securing supplies of Phosphoric Acid, in which the Company has a 33.33% shareholding, together with two other equal partners, Chambal Fertilizer Company Ltd., and OCP, Morocco, who are the world's largest producers of Phosphoric rock and other phosphatic products. IMACID, is engaged in the manufacture of phosphoric acid. The Company secures phosphoric acid through supply from IMACID for manufacture of fertilizers. The details of the operations are dealt with in detail, elsewhere in this report.

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Khet-se Agriproduce India Private Limited, a 50 : 50 Joint Venture between the Company and Total Produce, PLC. Ireland has been set up for the business of sourcing and distribution of fresh fruits and vegetables. It commenced operations in May, 2008. The details of the operations are dealt with, in detail, elsewhere in this report.

The Company, during the year, through its wholly owned subsidiary Tata Chemicals Asia Pacific Pte. Ltd. has entered into a Joint-Venture Agreement by investing SGD 15 million in JOil (Singapore) Pte. Ltd. (JOil), a Jatropha seedling company based in Singapore. The Company holds 33.80% stake in JOil. JOil has been set up by the Temasek Life Sciences Laboratory Ltd. (TLL), Temasek Life Sciences Ventures Pte. Ltd. (a subsidiary of Temasek Holdings) and other investors in Singapore. JOil will set up tissue culture labs in various locations, and market Jatropha seedlings produced by using the micro-propagation technology developed by TLL. By virtue of this agreement, the Company will get exclusive marketing rights for JOil's Jatropha seedlings in India and East Africa and a preferential price for seedlings it requires for its own cultivation of Jatropha.

The consolidated financial results reflect the operations of:

- IMACID, to the extent of the Company's 1/3rd share in the Joint-Venture,
- Khet-se Agriproduce India Private Ltd. to the extent of the Company's 50% share in that Joint-Venture.
- JOil (Singapore) Pte. Ltd. to the extent of 33.80% share in the Joint-Venture.

FINANCE

During the year, the Company raised Secured Debentures of Rs. 240 crores for General Corporate Purpose with bullet repayment at the end of 5 years.

During the year the Company, through its US subsidiary, Valley Holding Inc., who had raised a bridge loan of USD 350 million (~ Rs. 1404 crores) in March 2008 which was backed by a guarantee by the Company, was refinanced by a USD 300 million loan at an average maturity of 3.4 years at an attractive rate of interest.

The Foreign Currency Convertible Bonds (FCCB), issued in January 2005 amounting to USD 150 million, were converted to the extent of USD 6.2 million (previous year USD 99.87 million) during the year. Outstanding FCCBs as on 31st March, 2009 is USD 43.91 million.

Fertilizer bonds were issued in 3 tranches by the Government of India in lieu of cash subsidy and the Company received bonds worth Rs. 1019.06 crores (previous year Rs 308 crores). Of the above receipt, the Company has sold Bonds worth Rs. 516.27 crores and incurred a loss of Rs. 23.37 crores. On the remaining Bonds worth Rs. 502.79 crores, the Company has provided for marked to market loss of Rs. 54.66 crores.

DIRECTORS

Mr. Homi R. Khusrokhhan retired as a Managing Director on December 14, 2008. The Board wishes to place on record its appreciation for his valuable contribution during his association with the Company.

Mr. Arun Nath Maira has been appointed as an Additional Director on the Board with effect from September 25, 2008. He has done his post graduation in Physics (M.Sc) and was a member of the Tata Administrative Service and worked at several senior positions in the TATA Group. He is an International Management Consultant. He is on the Boards, inter-alia, of Patni Computer Systems Limited, Aditya Birla Nuvo Limited, Mahindra Ugine Steel Company Limited, Hero Honda Motors Limited and Godrej Industries Limited. In accordance with the provisions of the Companies Act, 1956, resolutions seeking approval of the members for appointment have been incorporated in the Notice of the forthcoming Annual General Meeting and the Explanatory Statement thereto.

Mr. Eknath A Kshirsagar has been appointed as an Additional Director on the Board with effect from November 26, 2008. He is a Fellow Member of The Institute of Chartered Accountants of India and of The Institute of Chartered Accountants, England and Wales. He is on the Boards, inter-alia, of Batliboi Limited, JM Financial Limited, Rallis India Limited, HCL Infosystems Limited and Merck Limited. In accordance with the provisions of the Companies Act, 1956, resolutions seeking approval of the members for appointment have been incorporated in the Notice of the forthcoming Annual General Meeting and the Explanatory Statement thereto.

During the year, Mr. R. Mukundan was appointed as an Additional Director and Managing Director of the Company with effect from November 26, 2008 and December 15, 2008 respectively. Mr. Kapil Mehan and Mr. P.K. Ghose were appointed as Additional Directors and Executive Directors with effect from November 26, 2008. In accordance with the provisions of the Companies Act, 1956, resolutions seeking approval of the members for appointment have been incorporated in the Notice of the forthcoming Annual General Meeting and the Explanatory Statement thereto.

Mr. R. Gopalakrishnan, Mr. Nasser Munjee, Dr. Yoginder K. Alagh, Directors of the Company, are due for retirement by rotation and are eligible for re-appointment.

CORPORATE GOVERNANCE

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

PERSONNEL & INDUSTRIAL RELATIONS

As on March 31, 2009, 4992 employees were on Company's rolls, 3340 of them in India and 1652 overseas. The industrial relations were cordial across the geographies during the year.

SAFETY, HEALTH AND ENVIRONMENT

The focus on improving work place safety has been enhanced and total recordable injury frequency rates have declined over that of previous years and are matching world class levels. Health monitoring of Company employees, commensurate with the work environment have continued and there have been no significant observations relating to deficiencies in workplace health and hygiene conditions. The SHE performance is being reviewed at all review forums.

The Babrala Plant maintained its five star rating on the British Safety Council standards and received its fourth sword of honor in a row – a first time record for any Indian Company. Babrala Plant has retained its British Safety Council's five star rating on environmental sustainability standards and was awarded the Globe Award. Mithapur Plant secured five star ratings from British Safety Council and Haldia has done pre-assessment. Mithapur Plant has continued the DuPont Safety Way engagement to develop world class practices. The Company received recognitions from National Safety Council of India, International Fertiliser Association, Indian Chemical Council for its effort on SHE for its safety performance.

The Company has complied with environmental consent conditions at all its locations. The Company introduced in the year the monitoring of "Green Manufacturing Index" on targets on energy and water consumption, waste recycle and use of renewable energy.

The Company continues to be a "Responsible Care" company.

COMMUNITY DEVELOPMENT, RURAL DEVELOPMENT AND SOCIAL WELFARE

In keeping with the Company's strong commitment to rural development, community development and social welfare, the Company initiated several community welfare and development programmes during the year, including water management programmes, income/livelihood generation programmes, programmes for health and education during the year. These initiatives are discussed in detail in the Management Discussion and Analysis Report.

INFORMATION TECHNOLOGY

During the year 2008-09 SAP ECC 6.0 system was stabilized. Substantial progress was made in implementation of GRC software for better controls in the system. Ernst & Young conducted a detailed study on additional functionalities and controls in ECC 6.0. Their recommendations have been implemented. The Company has taken steps to implement disaster recovery system for SAP and the requisite hardware has been procured in 2008-09. During the year

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implementation of Hyperion Planning & Budgeting Module has started. Hyperion accounts consolidation module has been implemented for Brunner Mond Group and work is under progress for integrating General Chemicals Industrial Products Inc. The Company also implemented a tool for creation of Dashboards to provide up to date information for the Company wide ADAPT- cost containment initiative. The Company plans to implement SAP at Magadi Soda Company, Kenya and conducted a pre ERP reengineering study at Magadi, Kenya. The findings are under implementation.

AWARDS AND RECOGNITIONS

The Company during the year have won many awards some of which are listed below:

- CII National Award for Excellence-Water Management 2008
- Dun and Bradstreet Rolta Award for being Top Indian Fertilizer Company
- 11 National Awards for Communications at the Association of Business Communicators of India 2008
- The Asset Triple A Best Deal India Award
- Reader's Digest Pegasus CSR Award 2008 – Gold
- NSCI – Suraksha Puraskar – National Safety Awards
- PRCI 3 National Awards on internal / external communication
- Nakheel Sustainability Award
- Business Superbrands Status Award
- Best Supplier Award by Hindustan Unilever Limited

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

The information required under Section 217(1)(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 as Annexure 'A' and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, is annexed hereto as Annexure 'B' and forms part of this Directors' Report.

AUDITORS

M/s. Deloitte Haskins & Sells and M/S. N. M. Rajji & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the year 2009-10. The members are requested to consider their appointment and authorize the Board of Directors to fix their remuneration. Both the auditors have, under Section 224(1B) and Section 226 of the Companies Act, 1956, furnished certificates of their eligibility for the appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz., March 31, 2009 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

RATAN N. TATA
Chairman

Mumbai
Date: 28th May, 2009

Tata Chemicals Limited**ANNEXURE TO THE DIRECTORS' REPORT****Annexure 'A'**

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

Disclosures**A. CONSERVATION OF ENERGY****(a) Energy Conservation measures taken:**

- Installation of variable speed drive for HCT and HRT in ESF.
- Installation of solar lights at critical locations, road crossings & public places in the Township to ensure continuous illumination in Town.
- Arrangement for occasional back flushing of ammonia condenser (E-510) to improve efficiency.
- Installation of new heat exchanger to pre-heat fuel natural gas of captive power and steam generation plant by using urea steam condensate.
- Utilization of low grade energy for chilling the first stage suction of process air compressor and synthesis gas compressor by installing Lithium Bromide Chiller.
- Installation of new parallel Synthesis Gas Cooler (E-504B).
- Installation of steam booster ejector (EJ-50) to feed the V-02 low pressure steam to Waste Water Distillation Column (C-02) in urea plant.
- Hot Air Generator based on coal/Bio mass put to 100% use in place of Furnace Oil based hot air generator.

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

- Replacement of HVAG-8 Gear box at NSABR Thickener reactor agitator.
- LPT6 Turbine: Electronic governor in place of hydraulic governor.
- Replacement of existing HCL plant (CC & M) cooling tower pumps with higher reliable & efficient pumps.
- Upgradation of existing MOL P# 1, 3 & 5 pumps with better efficiency and improved MOC pump.
- Central Prayon Process project under advanced stage of implementation in phosphoric acid plant for improving the efficiency and reduction on energy consumption.
- Colling tower of SAP II upgraded.
- Scheme for better utilization of steam from SAP I plant.

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

- Reduction in specific power consumption in ESF / Clinker.
- Reduction in green house gas emission.
- Improving energy efficiency of Ammonia Plant by reducing steam consumption. (Schemes 1, 3 & 4).
- Improving energy efficiency of O&U by reducing fuel consumption (Scheme 2).
- Improving energy efficiency of Urea Plant by reducing steam consumption (Scheme 5).
- Reduction of consumption of fossil fuels.
- Reduction in purchase of electricity.

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

Form A

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

POWER AND FUEL CONSUMPTION

	Current Year 2008-2009	Previous Year 2007-2008
1 ELECTRICITY		
(a) Purchased		
Units (Kwh)	4,62,85,196	4,91,24,635
Total Amount (Rs. Crores)	22.26	19.65
Avg. Rate (Rs./Kwh)	4.81	4.00
(b) Own Generation		
(i) Through Diesel Generation (Mwh)	-	-
Unit per litre of diesel	-	-
Cost per Unit (Rs.)	-	-
(ii) Through Power Plant Unit (Mwh)	1246.60	973.02
Cost per Unit (Rs./Kwh)	20.50	24.34
(iii) Through Steam Turbine/Generator Unit (Mwh)	4,14,913	3,83,137
Steam produced (Tonnes)	43,68,070	42,41,342
Total Value of Electricity and Steam produced (Rs. Crores)	265.56	198.88
(iv) Through Gas Turbine		
Units produced (MWh)	1,53,503.00	1,54,901.00
Steam produced (Tonnes)	12,39,476.00	12,34,142.00
Total Value of Electricity and Steam produced (Rs. Crores)	176.85	154.36
2 Coal (specify quality and where used)		
(Mostly imported Coal received from various sources and " A" Grade Lignite are used in Boilers)		
Quantity (Tonnes)	6,30,311	6,08,244
Total Cost (Rs. Crores)	251.13	184.71
Average Rate (Rs./Tonne)	3,984.30	3,036.85
3 Natural Gas		
Purchased (SCM)	16,63,75,806.00	17,77,11,021.00
Total Cost (Rs. Crores)	77.72	80.10
Average Cost (Rs./SCM)	4.67	4.51
4 RLNG		
Purchased (SCM)	61,21,436.00	1,27,22,332.00
Total Cost (Rs. Crores)	6.94	12.03
Average Cost (Rs./SCM)	11.33	9.45
5 Naphtha		
Purchased (KL)	82,734.21	60,341.37
Total Cost (Rs. Crores)	221.94	150.49
Average Cost (Rs./KL)	26,825.12	24,940.40
6 Furnace Oil		
Purchased(KL)	1,717.00	7,484.00
Total Cost (Rs. Crores)	5.00	16.00
Average Cost (Rs./KL)	31,265.00	21,492.00
7 HSD		
Purchased(KL)	110.00	113.00
Total Cost (Rs. Crores)	0.38	0.37
Average Rate(Rs./KL)	34,215.00	32,760.00

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CONSUMPTION PER UNIT OF PRODUCTION

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2008-2009	Previous year 2007-2008	Current Year 2008-2009	Previous year 2007-2008
Soda Ash Light	161.67	162.74	3.60	3.60
Sodium Bicarbonate	48.34	50.51	0.75	0.76
Caustic Soda Evaporated	2955.39	3024.46	2.60	4.18
Vacuum Evaporated Salt	58.80	61.59	2.09	2.11
Cement	148.59	147.63	—	—
Urea	61.39	64.00	0.98	0.97
Ammonia	151.92	141.00	0.40	0.32
Sulphuric Acid	47.00	41.00	—	—
Phosphoric Acid	192.00	169.00	—	—
Sodium Tripolyphosphate	277.00	213.00	2.12	2.26
Diammonium Phosphate	45.00	46.00	0.08	0.08
NPK Complexes	29.00	34.00	0.05	0.05
Single Super Phosphate	23.00	31.00	—	—
Sulphonic Acid	206.00	70.00	—	—

Furnace Oil Ltr/Tonne

	2008-2009	2007-2008
Sodium Tripolyphosphate	149	127
Diammonium Phosphate	1	5
NPK Complexes	2	3

B. TECHNOLOGY ABSORPTION
Form B
Research and Development (R&D)
1. Specific areas in which R&D is carried out by the Company

- Recovery of soda ash & sodium bicarbonate from sodium bicarbonate filtrate mother liquor.
- Manufacture of masonry cement using fly ash.
- Enhancing the reactivity of milk of lime.
- Use of diluted brine to control magnesium impurity in salt.
- Enhancing the cooling efficiency in soda ash carbonating towers.
- Developed process for Manufacturing Bentonite Sulphura fertilizer for Sulphur deficient soils.
- Developed process and detergent formulations for popular & Premium segment, based on Natural Soda ash –CRSF and environment friendly surfactant methyl ester sulphonate.
- Developed formulations to launch Utensil cleaning powder in the market.
- Developed lab scale process to make granular STPP.
- Developed a process to reduce variable cost of STPP and reduce NOx load on environment using Bentonite clay suspension treatment process for STPP manufacture.
- Successful Field Trial for Basal – a customized fertilizer grade NPKSZn 7:14:7:6:0.5 conducted by Agriculture dept, Govt. of West Bengal.

2. **Benefits derived as a result of above R & D**

- Increasing the production capacity and reducing the cost of cement (masonry).
- Enhancing milk of lime reactivity in soda ash plant.
- Development of Future market.
- Reduction of variable cost of STPP.
- Reduction of pollutant load on environment.
- 4 patents filed to protect company's intellectual property.
- New crop specific fertilizer for farmers.

3. **Future plan of action**

- Continued R&D efforts to attain objectives of cost reduction, energy conservation, waste minimization/ recycling & reuse, value addition, environmental improvement & efficient management of water.
- Implementation of Variable speed drives for FD and ID fans of FBD-5.
- Up-gradation of STD -1.
- Install manufacturing facility for Bentonite Sulphur.
- Obtain approval from DOF to introduce BASAL fertilizer in market.
- Develop water soluble fertilizers.
- Develop new products from waste and effluent for waste minimization.

4. **Expenditure on R & D**

	2008-2009 Rs. Crores	2007-2008 Rs. Crores
(a) Capital	2.74	1.74
(b) Recurring	12.10	6.25
(c) Total	14.84	7.99
(d) Total R & D expenditure as a percentage of Total Turnover %	0.17%	0.17%

Technology Absorption, Adaptation, & Innovation

1. Efforts made towards technology absorption, adaptation & innovation	1	Nil
2. Benefits derived as a result of the above efforts	NA	NA
3. Imported technology		
(a) Technology imported	None	None
(b) Year of import	NA	NA
(c) Has technology been fully absorbed?	NA	NA
(d) If not fully absorbed, reasons & future course of action	NA	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year 2008-09 Rs. Crores	Previous year 2007-08 Rs. Crores
1. Foreign exchange earned		
(a) Export of goods on FOB basis	92.75	66.79
(b) Interest Income from subsidiary	16.66	25.15
(c) Dividend	23.71	—
2. Outgo of foreign exchange		
Value of imports (CIF)		
(a) Raw materials and fuels	4741.43	1361.90
(b) Stores, components and spares	19.78	8.49
(c) Capital goods	79.04	12.24
3. Expenditure in foreign currencies	178.03	110.37
4. Remittance of dividends	26.62	11.64

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Annexure 'B'

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31 March, 2009.

Name	Gross Remuneration Rs.	Net Remuneration Rs.	Designation & Nature of Duties	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Particulars of last Employment
1	2	3	4	5	6	7	8	9
Adroja G J	3,756,121	2,475,657	General Manager - New Projects	B.E. (Mech.)	35	15.09.1973	60	Tata Chemicals Ltd.
Agarwal Rajeev	4,446,799	2,940,765	Head - Strategy & Business Development	B Tech., PGDM	25	07.05.2007	50	Rockwool India Ltd-CEO
Anand Satish S	3,321,694	2,194,974	G. M - HR & Corp.Affairs(CHEM & CPB)	B.Com., M.S.W., L.L.B	25	12.04.2004	47	RPG Cables Ltd.-Sr Mgr, HR
Avalakki Uday (Dr)	3,005,304	2,062,709	Head - Nutraceuticals	B.Sc., M.Sc., Ph.D.	29	28.02.2005	54	Thirumalai Chemicals—Head Biotech.
Basu Arup (Dr)	5,725,527	3,736,061	COO - Chemicals (Indian operations)	Ph.D (Technology)	16	01.06.2004	41	Accenture - Sr Manager
Bhaskar Kumar S	3,578,193	2,003,517	V.R. - Manufacturing	B.Tech., M. Tech.	26	31.12.1992	51	Chambal Fertiliser - Asst.Manager
Bhatia Vinay K	4,018,414	2,366,097	Vice President - Manufacturing	B.Sc., AMIE, M.S.	35	10.09.1992	55	Indo Gulf Corp—Joint Manager
Chakrabarty Durgesh (Dr)	2,654,180	1,615,388	Manager-Medical Service	M.B.B.S.	27	01.06.2004	51	Hindustan Lever Ltd-Manager
Chandan Rajiv	3,578,747	2,400,246	Company Secretary & Head Legal	M.com., L.L.B, FCS, PG. - IPR	22	17.07.2007	44	Lafarge India Ltd-V.P.Legal & Co. Secretary
Chaudhary R V	3,837,441	2,424,763	General Manager - Oman Projects	M.Sc.		01.02.1974	60	Tata Chemicals Ltd.
Chaudhary S G	3,286,225	2,208,112	Chief Technology & Sustainability Officer	B.Tech., PGDIM (B.School)	31	17.10.1988	54	National Fertiliser Ltd-Sr Marketing Manager
Chauhan Sunil Kumarsingh	3,078,100	1,940,577	Manager - Ammonia	B.Tech., M.Tech., PGDIM (B School)	13	10.09.1997	40	Malvika Steel Ltd-GET
Chhabra Ranjeet Singh	3,273,808	2,051,920	Head - Sales & Marketing C N B	B.Sc., M.Sc.	31	03.03.2004	55	M/S Duncans Ltd. - Sr Marketing Manager
Desphande Deepak	3,544,797	2,391,831	General Manager - Corp HR	B.E., DBM, MMS, Diploma in Training & Development	16	17.10.2007	38	Century Communications Ltd — SR VP-HR
Gadre Vikas	4,939,927	3,285,278	Chief Information Officer	B.Tech.(Chem.), PGD Finance Mgmt., CS	34	01.02.2007	58	Rallis India Ltd, CIO
Ghose P.K.	8,864,907	5,090,423	Executive Director & CFO	B.Com.(Hons.), CWA, CS	36	01.11.2002	59	Tata Steel Limited - Chief (Strategic Finance)
Ghoshal Satyajit	3,127,590	1,954,335	Controller - Fertiliser Business	B.Com., CA, PG Diploma	20	26.04.2004	45	Gujarat Guardian—Controller -Fin& A/C
Gupta Ashok J	7,203,126	4,028,124	Sr. V. P. - New Business & Projects	B. Tech. (Chem.)	30	04.12.1990	53	National Fertilisers Ltd - Asst-Manager
Gupta Manoj	2,582,075	1,838,838	Sr. Manager - Treasury	B.Com., CA, CS, CWA, B.I.T.M.	12	16.10.2007	38	Grasim Industries Ltd - Dy General Manager (Finance)
Hiran Ashvini	4,159,810	2,939,171	Head - Consumer Products Business	B.E., PGDRM	28	01.06.2004	49	HLLCL - Head Sales & MCD
Jacob Mammen	3,948,897	2,330,401	Vice President - Manufacturing	B Sc.(Engg.), M.Sc.(Engg.)	30	14.04.1979	55	Tata Chemicals Ltd.
Kalaga Anil	2,783,273	1,915,701	Senior Manager - Corporate HR	B.Sc., M.A., M. Phill.	10	01.03.2007	47	Adfactors PR Pvt Ltd - Head HR
Kalani Sathish Chandra	5,378,278	3,433,874	General Manager - Taxation & Legal	B.Com., CA	30	12.11.1986	52	Ambalal Sarabhai Ent. Ltd. - Tax Executive
Kalra Naveen	2,565,994	1,647,286	Head - Crop Nutrition Research	M.Sc., Ph.D.	28	03.12.2007	55	ICAR - Head-Principal Scientist
Khanderia P M	6,572,036	4,319,126	Vice President - New Projects	B.E. (Mech.), MS (USA)	38	07.07.1972	59	Tata Chemicals Ltd.
Khushrookhan Homi R*	25,204,570	13,245,218	Ex-Managing Director	M.Sc (Economics), CA	40	01.04.2004	65	Tata Tea Limited- Managing Director
Kumar Rajiv (Dr)	3,508,769	2,285,015	Head - Green Chemistry & Catalysis	M. Sc., Ph. D	28	10.12.2007	55	National Chemicals Laboratory-Head Catalysis Div.
Lal Sanjiv	6,705,051	4,434,787	Chief Operating Officer, Agri - Business	B. Tech. (Chem)	24	01.06.2004	48	Hind Lever Chemicals Limited - Sr. Manufacturing Manager
Langrana Zarir N	4,275,456	2,776,146	Vice President -Strategy & Markets	B.A., MBA, ICWA	27	01.09.1983	50	Tata Sons Limited - TAS Officer
Mehan Kapil	11,231,580	7,167,586	Executive Director	PGDM- IIM	27	05.02.1996	50	Rallis India Limited- GM (Fertilisers)
Mukundan R	10,691,892	7,110,537	Managing Director	B.E.(Elec.), MBA	19	24.10.2001	42	Tata AutoComp systems Limited- GM (Corporate Planning)
Nadar John	2,788,795	1,914,640	Senior Manager - Internal Audit	L.L.B., CWA, CIA, CISA, Certified Fraud Examiner	17	24.01.2006	39	Ispat Industries Ltd-Asst GM
Nadkarni Girish	5,031,866	3,318,061	Vice President - Finance	B.Com., CWA, CA	17	09.08.2007	41	Tata Industries Ltd — V.P.
Nair Harish R	3,052,918	2,094,502	Head - Sourcing & Logistics	ICWA, B.Sc.	14	04.10.1995	39	T K Mehta-Audit Associate
Parekh Vijay Kumar	2,595,605	1,816,787	Senior Manager - Projects	B.E.	23	01.04.1986	46	Tata Chemicals Ltd.
Parvez Kairaz *	2,669,054	1,786,793	Head - Safety, Health & Environment	B.E., M.S.	20	01.04.2008	48	Meadwestvac Corporation - Principal Environmental Consultant
Radhakrishnan T	3,058,056	1,820,817	General Manager - Operations	B.Tech.	27	22.10.1982	49	Tata Chemicals Ltd.
Rais Shohab	2,554,999	1,757,438	Head-Sales & Marketing	D.M.E., B.A., M.M.M.	26	01.04.2002	46	Godrej Appliances Ltd.- Senior Manager
Rajgopalan Srinivasan (Dr)*	1,387,867	990,593	Manager-Bio Chemical Engineering	B.Tech,M.Tech.Ph.D.	15	01.07.2005	37	MBI International-Sr Engineer
Rao Prasanatha	3,729,871	2,568,291	General Manager - HR & Admin, C N & A B	B.Sc., L.L.B., PGDPM	21	08.09.2003	48	Wipro ePeripherals — Manager HR
Ravindranath M	3,258,822	1,993,491	General Manager -Projects	B.Tech	26	04.10.1982	50	Tata Chemicals Ltd.
Roy Shouvik	3,003,596	2,047,876	Sr. Manager - Management Accounting	B.Com., ACA	23	01.06.2004	49	HLL-Logistics Manager
Sastry Murlil (Dr)	6,398,048	4,186,827	Chief Scientific Officer	M.Sc., Ph.D.	26	14.09.2005	50	National Chemical Laboratory, Scientist
Sen Chiranjit *	1,390,337	920,584	Sr Mgr-Human Resources & Administration	B.Com.Dip in Social Welfare	33	01.06.2004	58	Hindustan Lever Ltd- Unit HR Manager
Sonthalia Ashok	4,027,154	2,145,357	G M - Strategic Finance & Treasury	B.Sc., CA	18	19.10.2006	41	Tata Inc - CFO
Srinivasan Sriram	4,285,671	2,860,971	Head Biofuels	B.A., MBA - Finance Mgt.	20	18.03.2002	41	ITel Ind. Ltd.,Dy.G M
Sudhakar Budaraju	7,839,008	5,225,690	Chief Human Resources Officer	B.Sc., PGDBM	22	28.02.2002	45	Reliance Infocom Ltd- GM (Corporate HR)
Tripathi Om Prakash	3,007,283	1,769,793	General Manager - Projects	B.Tech.	33	08.09.1992	57	national Fertiliser- Asst Engineer
Tyagi Alok	5,147,852	2,859,294	V P - Strategy & Buss. Dev, CNB	B.Tech (Chem.), IIT Khatrappur, PGDBA-IIM	33	03.02.2003	56	Finolex Cables Ltd -COO
Uppal Navdeep	3,917,318	2,634,246	Head - Corp Strategy & Buss.Development	B.Com, CFA, PGDBM, GDMM	29	01.06.2004	48	HLL- Business Manager (Bulk Chemicals)
Varma S S	5,780,988	3,766,675	Vice President -SCM & Procurement	M.Sc., PGDBM	24	20.06.2005	48	MSPL LTD,V P - Marketing & Logistics
VinodKumar T	5,057,381	3,340,634	Head - Corporate Audit & Risk Management	B.Com., CA	21	01.06.2004	49	HLL - G M Commercial

Note :

- "Gross Remuneration" includes salary, allowances and commission received during the year, Company's contribution to Provident Fund, Super annuation fund and taxable value of perquisites wherever applicable. However provision for gratuity and leave encashment, payments made in respect of earlier years including those pursuant to settlements during the year have been excluded.
- "Net Remuneration" is arrived at by deduction from the gross remuneration, Income-tax, Professional tax, Company's Contribution to Provident Fund, Super annuation fund and the monetary value of non-cash perquisites.
- All the employees have adequate experience to discharge the responsibilities assigned to them.
- Nature of Employment with the Managing Director and Executive Director is contractual.
- None of the above employee is a relative of any director of the Company.
- * Employees who were in service for part of the year.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Tata Chemicals (“TCL” or “the Company” here onwards) is an industry leader operating in two business segments of Inorganic Chemicals and Fertilisers. TCL is a market leader in Soda Ash globally and has domestic market leadership in Iodised Salt, besides being a major producer of Nitrogenous, Phosphatic and Complex fertilisers. TCL serves broadly three sectors of Agriculture, Industry and Households straddling a range of diverse customers – from glass to detergent manufacturers and from farmers to housewives. TCL has built these businesses on the platform of strong understanding of chemistry and intimate knowledge of customer needs. This focus on Chemistry and Customer has helped TCL, develop unique competitive advantages for each of its businesses. A strong reinforcement of this belief has been recognition by industry through several awards the Company received during the year.

TCL is now the second largest player globally in Soda Ash. Post acquisition of General Chemicals Industrial Products Inc., USA (GCIP) in March 2008, close to 60% of its soda ash capacity comes from natural sources, placing TCL in a stronger position to face adverse cycles in the commodity business. Besides building a strong entity in an essentially commodity business, TCL continues to build stronger relationships with key customers while actively working with smaller players so that they are able to serve customers at the bottom of the pyramid. TCL also has leadership in the India and UK for sodium bicarbonate – a chemical with diverse uses, as well as other chemicals such as hydrochloric acid, chlorine, calcium chloride and STPP, which are products made in efficient and integrated production facilities.

TCL is a major player in nitrogenous and phosphatic fertilizers in the Indo-Gangetic agricultural belt. TCL’s foray into other agri-businesses like crop protection, fresh produce and specialty crop nutrients is intended to serve specific needs of the farmer spanning a range of products as well as services. TCL has developed deep knowledge of the rural hinterland of India and established strong relationships with the farming community, through its extensive Tata Kisan Sansar network, which now boasts of over 600 outlets. Simultaneously, TCL has successfully built strong brands (“Paras”) out of commodities like Urea and DAP, and created a loyal customer base, built on quality and efficacy. The foray into Agri-business and Fresh Produce is built on this strength of farmer intimacy.

Tata Salt continues to build on its strong Brand equity, reaching over 50 million households in India and being recognized as the most trusted consumer food brand in India. TCL also continues to work on its initiatives in the bio-fuels and other new businesses emanating from its Innovation Centre based on Nanotechnology and Biotechnology platforms. Our focus has been to use the power of chemistry to address FEW issues (Food, Energy, Water & Wellness) facing us to truly live up to the expectation of a company that displays the spirit of “Human Touch of Chemistry”.

The highlights of the company’s performance in FY09, as a consolidated entity, are:

- Net sales (i.e. sales net of excise duty) increased by 103% from Rs.5982 crores in 2007-08 to Rs.12153 crores in 2008-09.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 77.77% from Rs.1113.21 crores in 2007-08 to Rs.1979 crores in 2008-09.
- Profit after tax (PAT) decreased by 33% from Rs.964 crores (which includes profit on sale of investments of Rs. 487.47 crores) in 2007-08 to Rs. 648 crores in 2008-09.
- Return on Capital Employed (ROCE) for 2008-09 was 13.1%, while Return on Net Worth (RONW) was 15.3 %.
- Fully diluted earnings per share - Rs.26.19.

GLOBAL BUSINESS ENVIRONMENT

What started out as a sub-prime crisis triggered by a housing-bubble in August 2007 transformed into a financial crisis by September 2008 and finally spilled over to the real economy late last year. The massive de-leveraging in financial markets has culminated in one of the worst economic contractions in history. With investors pulling out from overseas markets, a tightening credit market and declining consumption, industry has been forced to scale back production and defer capital expenditure plans. This, in turn, led to weakening labor markets and consumers reining in spending thereby reinforcing the vicious cycle that Governments around the world are currently engaged in breaking.

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The IMF estimates Global GDP to have grown by 3.2% in 2008 compared to 5.2% in 2007, propped up by developing economies that registered a 6.1% growth. Increasing integration in the global economy however has led to hitherto de-linked economies to be hit by the crisis as hard as the developed ones. Developed economies have been hit by a combination of collapse in demand for high tech exports as well as declining domestic demand. Similarly, developing economies have been hit not only by decline in trade but also by dropping domestic consumption, fuelled by reversal of capital flows, collapse of stock markets and deterioration in financing conditions.

Change in Fundamentals and Key Assumptions

As a result of the foregoing developments, there has been a significant change in fundamentals of the economy, foremost being decline in availability of cheap credit. These changes have led to a major shift in assumptions on the basis of which industry operates and plans for the future. Commodity prices that peaked in July 2008 have more than halved now (crude oil is hovering in the \$50-60 range, down by ~60% from 2008 peaks). Factors that drove prices higher including a weak dollar, low pre-boom investment in extractive industries, supply restrictions, diversion of farmland for bio-fuels and export restrictions by governments have all moved in the opposite direction since. In sharp contrast to high levels of inflation seen last year, deflation is now a potential threat to economies already suffering from low investment and consumption.

Low demand has affected agriculture too. Food prices fell 34% (IMF estimates) in the second half of 2008 driven by slowing demand, higher yields and higher acreage under cultivation in response to high prices in the preceding period. Fiscal balances of developing countries are also under pressure as a result of falling tax revenues. These challenges are further reinforced by political compulsions that push for growing protectionism.

Outlook

The IMF forecasts global GDP to decline by 1.3% in 2009 – the deepest recession post World War II, with high income countries declining by 3.8% and growth in developing countries slowing down to 1.6%. The Indian economy is expected to grow between 4.5% and 5.5% in FY2009-10. The recently announced stimulus package of US\$1.1 trillion by the G20 is expected to help towards reaching a recovery by early 2010. The outlook, however, continues to be uncertain regarding timing of any possible recovery – the concern being whether policies will be enough to arrest the negative feedback between deteriorating financial conditions and weakening economies.

Commodity prices have stabilized within a broad range since December 2008 and are expected to remain so for the remainder of 2009. Declining prices and consumer demand are expected to affect agriculture with indications of lower acreage planned for 2009. World trade too is expected to fall 9% in volume terms in 2009. Overall, while 2008 was a challenging year for business given the extreme volatility and supply side restrictions, 2009 is likely to present challenges due to weakening demand with margins sustained only due to steep fall in input prices.

Advanced economies in Asia have been affected due to their high export dependence and large exposure to the drop in global demand for automobiles, electronics, and other consumer durable goods. However, emerging Asia is expected to continue to grow, led by China and India. With trade comprising a smaller share of the economy, India is less exposed to the decline in global demand with domestic consumption expected to remain relatively robust.

TATA CHEMICALS' BUSINESS UNITS AND GROWTH STRATEGY

The Company's business is organized under two segments of Inorganic Chemicals and Fertilisers. Within these two segments the Company has four business units of Industrial Chemicals, Consumer Products, Crop Nutrition & Tata Kisan Sansar. In addition the Company has made foray into New Businesses – comprising of Bio-fuels and Fresh Produce. The Company has also set up an Innovation Center in Pune which is focused on Nano-Bio-technology and a Center for Agriculture Technology in Aligarh, focused on Soil Health and Crop Nutrition solutions.

With the acquisition of GCIP, USA in March 2008, the focus of the Chemicals business has been on consolidation and value-extraction. With the onset of adverse economic conditions, there has been a substantial decline in demand, particularly due to a drop in flat glass consumption arising from a steep fall in construction and auto sectors. There has also been downward pressure on prices due to a combination of slowing demand and excess Chinese capacity. TCL has taken pro-active steps to tide over the slowdown, adopting a multi-pronged approach of reducing /deferring expenditure, conserving working capital and enhancing income.

The Crop Nutrition & Agri-Business being India-centric, is comparatively less vulnerable to the global demand slowdown, with agriculture expected to grow by more than 3% in FY2009-10. Post announcement of the new pricing policy for DAP and NPKs, revenue for these products is linked to their international prices. The challenges, therefore, lie in managing the temporal mismatch between input cost prices and market prices of phosphatic fertilizers, with both registering steep falls from their 2008 peaks but following separate pricing cycles. The Company will, meanwhile, continue to strengthen its agri-business through retailing of inputs as well as produce, thereby addressing larger part of the farm value chain.

In New Businesses, TCL also continues to invest in and strengthen its Bio-Fuels initiative and capabilities at the Innovation Center. These activities are discussed in detail in the following sections.

INORGANIC CHEMICALS SEGMENT

TCL's Inorganic Chemicals segment consists of Industrial Chemicals Business and Consumer Products.

Industrial Chemicals

The Industrial Chemicals manufactures and sells soda ash (Na_2CO_3), sodium bicarbonate (NaHCO_3) and other industrial chemicals such as STPP and cement. Of these, soda ash and sodium bicarbonate are products in which the Company is a global player. Additionally, operations in India produce STPP, gypsum and cement, and in the UK, the Company manufactures calcium chloride.

Soda Ash

TCL has a total capacity of 5.5 million tons of soda ash, making the Company the second largest soda ash manufacturer in the world. Of this capacity, 3.2 million tons is natural soda ash. This is obtained from the mineral trona from underground mines in Wyoming, USA, and from sodium carbonate rich brines in Lake Magadi, Kenya. The world's largest deposits of trona are found in the Green River Basin of Wyoming.

Soda ash can also be manufactured from a synthetic chemical process using salt and limestone, both of which are available in abundance. TCL follows this process at its plant in Mithapur, Gujarat (917,000 tons capacity) and at the European plants operated through its subsidiary Brunner Mond (1.3 million tons capacity).

Today, Tata Chemicals facilities in Europe, Africa, the United States and India allow it to optimally reach and supply customers across the globe, making us the world's most geographically diversified soda ash company.

World soda ash capacity grew from approximately 54 million tons in calendar year 2007 to 58 million tons in 2008¹. Capacity additions in China, particularly after September 2008, accounted for ~90% of this increase. Worldwide demand in 2008 (Jan-Dec) stood at approximately 48.5 million tons, a 1.4 million ton increase over 2007. 59% of this was due to an increase in Chinese demand, rising from 15.9 million MT (Jan-Dec 07) to 16.7 million MT (Jan-Dec 08). US domestic demand shrunk from 6.03 million tons in 2007 to 5.86 million tons in 2008². Demand in Russia, the world's third largest soda ash producing country, remained stable at 2.64 million tons in 2008, after clocking a 4.3% growth in 2007. South America, a key market which is serviced primarily by imports from the USA and Europe witnessed an increase in demand of about 8.5%. Production in Western Europe stayed stable at about 6.07 million tons in 2008.

Soda ash is used in several sectors such as detergents, flat glass (used for construction and automobiles) and glass containers. The first seven months of fiscal 2008-09 continued to witness the same strong growth in all of these sectors that characterized FY07-08. However, the impact of the real estate asset bubble, the recession in the USA, and the erosion of customer confidence took a toll on demand in the second half of the financial year.

The USA, Europe and Asia account for 95% of the production and 86% of the demand of soda ash. With the global financial turmoil severely impacting all of these markets, demand has shrunk considerably.

¹ Source: Harriman Chemsult 2009 World Soda Ash Study; company estimates

² US Geological Survey, January 2009

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US domestic demand for soda ash declined by 12.8% in the period April 2008 to February 2009, when compared to the same period in previous years³. The European soda ash industry has also been affected by the recession. Flat glass demand is estimated to have declined by 20-25%. In Eastern Europe, Russian soda ash plants were operating at approximately 50% of capacity due to low demand.

China, the world's largest soda ash market, suffered from significant reduction in demand from the month of November 2008 onwards. Production dropped from the level of 4.8 million tons in Q1 to 4.2 million tons in Q4 in FY08-09. Full year production grew by a mere 0.4% while apparent consumption dropped by 3.1%.

While the drop in demand has put pressure on prices, input costs have also softened, reducing the impact of price erosion. Going forward, we expect demand to stabilize at current levels before growing again sometime later this year or early next year.

India has so far not suffered demand destruction on the same scale as the Chinese industry. Soda ash in India is used primarily in the detergents sector, which is less vulnerable to economic downturns. Furthermore, Tata Chemicals has maintained long-standing relationships with its customers and built a reputation for quality and customer service which is significantly ahead of competition.

In recognition of the severity of the economic crisis and its impact on demand, TCL has undertaken major initiatives to reduce costs. This is characterized by our program ADAPT, an enterprise-wide initiative aimed at compressing costs and freeing up cash, which has been implemented on a war footing worldwide.

Sodium Bicarbonate

Sodium bicarbonate is commonly used as a pharmaceutical ingredient, food additive, animal feed, and in air pollution control. Tata Chemicals is the market leader in India and UK.

Globally, the bicarbonate industry has a capacity of approximately 3.5 million metric tons. The company anticipates significant growth in this product over the next few years. To meet growing demand Tata Chemicals has recently built an additional plant in the United Kingdom and is actively increasing the capacity of its existing plants.

In Europe, our sodium bicarbonate brands, Briskarb® and Alkakarb®, have wide market acceptance and an established position. Additional brands of Hemokarb®, Pharmakarb® and Sodakarb® are recent additions to the European business. TCL is also the market leader in the United Kingdom and India.

Flue gas treatment, a leading bicarbonate application, involves neutralization of acidic gases from thermal energy plants. Increasingly stringent environmental legislation provides significant opportunity for growth in this sector, particularly in developed countries. TCL is well prepared to exploit this business opportunity.

STPP

Sodium Tri Poly Phosphate (STPP) is a key ingredient in the manufacture of high-end detergents. It can be manufactured by two processes – the wet process, used by TCL, and the thermal process, which is used mostly in China. TCL is currently the only Indian manufacturer of STPP, with a market share of 33%. Most STPP used in India is currently imported from China.

Due to a dramatic increase in the price of sulphur, a key raw material in wet process STPP manufacture, during late 2007, the cost of manufacturing rose sharply, making it uncompetitive in comparison to thermal process STPP (which does not use sulphur). During the latter half of this year, sulphur prices have once again stabilized at near-normal levels. While this enables production of STPP in India economically for the time being, TCL is looking at structural solutions to avoid the adverse situation as faced last year.

Cement

TCLs' cement plant was set up in 1993 to handle solid wastes generated as by-products of soda ash manufacture. The Company uses patented technology to separate solid effluents and process them into Ordinary Portland Cement (OPC). OPC is used in the production of concrete. This year, TCL produced 405,325 tonnes of cement, a slight increase over last year. In addition, this year we also launched a new line of masonry cement. Masonry cements are used for preparing bricklaying mortars, used in home construction.

³ US Geological survey, January 2009

Consumer Products

Consumer Products mainly comprises of Tata Salt and I-Shakti brands of packaged salt which continued to grow during the year. These two brands together achieved a market share of over 57 % among the national salt brands. I-Shakti which was launched towards the end of 2006 is now close to becoming second largest packaged salt brand after Tata Salt. During the year the Company also took steps to increase the salt production capacity at its Mithapur plant through debottlenecking which will further boost the volumes available for sale during the current financial year. Simultaneously the business also worked on improving its distribution reach and getting all its packing centers HACCP certified.

While continuing its leadership position in packaged salt market, Tata salt regained the status of Most Trusted Food Brand⁴ reflecting the trust housewives place on the purity and quality of Tata Salt. The Company's second salt brand I-Shakti, which was rolled out nationally in 2007-08 has also been very well received by customers. Currently we are constrained by limited availability to increase the sales of our Salt Brands. We are taking steps to set up additional capacity for solar refined salt to meeting the growing demand for the I-Shakti franchise.

Tata Salt Lite, a low sodium salt with 15% lower sodium content than normal salt, launched in December 2007 was rolled out across India in a phased manner in 2008-09. The brand has generated encouraging response from health conscious consumers across Metros and Mini Metros and has already become the market leader in the Premium Low-Sodium salt segment. Tata Salt Lite has also helped to add a dimension of modernity, innovation and premium to the TCL salt portfolio.

The Consumer Products will also explore its adjacent spaces for growth, while continuing to focus on Salt and its variants.

FERTILISER SEGMENT

During the last decade Indian agriculture has faced a number of challenges, superimposed on the long-term demographics. Recent trends that have raised concerns regarding food security, farmers' income and poverty are: slowdown in growth; widening economic disparities between irrigated and rain-fed areas; increased vulnerability to world commodity price volatility following trade liberalization; uneven and slow development of technology; inefficient use of available technology and inputs; and rapid and widespread decline in groundwater table, with particularly adverse impact on small and marginal farmers. TCL's businesses aim to address these concerns in one way or the other.

TCL's presence in the Fertiliser Segment comprises of (a) the Crop Nutrition (manufacturer & marketer of crop nutrients), (b) Tata Kisan Sansar (one stop farmer centres offering agri solutions) These address the need hierarchy of Indian farmers and are, therefore, impacted by the developments in Indian agriculture in general and international markets for decontrolled fertilizers in particular.

Crop Nutrition

2008-09 was a very significant year in terms of announcement of new Fertiliser policies. DOF announced new investment policy for urea covering Debottlenecking, Revival, Brown field & Green field projects. The concession rate was linked to international price (IPP) with the provision of collar and cap. For phosphatic fertilisers, the Government announced a new fertilizer policy where concession rate for indigenous DAP and Complexes are to be derived from imported DAP and landed cost of other inputs. In the case of SSP, the Government came out with a new policy from May 2008 linking concession rate for SSP to raw material prices. Also with the announcement of uniform freight policy, the Government has agreed to reimburse almost 100% cost of freight. Recently the Government announced the policy for conversion of FO/LSHS based plants to gas based plants.

In the journey of transformation of crop nutrition operations has been, to establish itself in the deregulated crop nutrients market apart from its core fertilisers business. Attaining a strong position in such a short span was made possible by a guiding philosophy of being a *Seller of Benefits* to farmers. Given that 'seeing is believing' at farmer level, the Company has conducted field demonstrations in various villages to build confidence amongst farmers to demonstrate the benefits of balanced nutrition and adopting modern crop technology.

⁴ The Economic Times Most Trusted Brands Survey 2008

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The Company sees itself as being able to address soil health issues and improve crop yields by providing the right combination of inputs necessary. It has broadened its offerings from just three primary plant nutrients: namely nitrogen (N), phosphorous (P) and potassium (K) to Secondary nutrients: namely Calcium (Ca), Sulphur (S) and micronutrients like Zinc (Zn), Boron (B), etc. In total it has over twenty products in its portfolio.

The Company's market presence in crop nutrition caters to eleven states from J&K to Tamil Nadu and Punjab to Assam. Owing to the nature of government regulations, the Company's major market presence has been localized to certain geographical regions within India, viz. certain parts of north and east India called the core command areas. TCL's product portfolio of nitrogenous fertiliser (Urea), phosphatic fertiliser (DAP, Complexes) and MOP continues to be a partly regulated sector of business within India and TCL's growth, therefore, has to be within the contours of such regulations. Secondary and micronutrient products (Calcium Nitrate, Zinc Sulphate, Micronutrient Mixtures, Granubor and Sulphur Pastilles) account for less than 5% and are outside the realm of price and movement control.

The impact of the global commodity boom during first half of 2008 and the subsequent decline in the second half of the year was reflected in the fluctuating prices of Urea, MOP, Complexes and their raw material. In the case of Urea FOB Arabian Gulf, the price decreased from peak \$825 pt in July 2008 to \$400 pt in March 2009. There was a 166% increase (\$435 pt to \$1155 pt) in the US Gulf DAP FOB prices from March 07 to March 08 which then declined to \$385 pt by year end. MOP FSU FOB contract prices remained constant at around \$540 pt and then increased to \$775 pt at year end. The price of raw materials namely Ammonia, Sulphur and Rock Phosphates has seen a steady decline from its peak in the mid year. Ammonia CFR price decreased from \$908 pt in Oct 08 to \$302 pt in March 09. Sulphur price decreased to \$78 pt from its peak \$855 pt in July 08 and remained at that level till year end. Rock Phosphate price also declined from \$375 pt to \$200 pt by year end.

While fluctuating fertiliser and raw material prices have limited impact on urea, for other decontrolled fertilisers like DAP, NPK and SSP, where prices are closely linked to either international prices of these fertilisers or their inputs, business has to manage the risk of widely fluctuating input costs as well as temporal mismatch between input cost prices and market prices for fertilizers. These issues are being addressed by putting in adequate internal controls and checks in place as well as bringing the deficiencies of the new pricing policy for these fertilizers to the notice of the Government by the industry for appropriate remedy.

As part of policy advocacy efforts, the fertilizer industry has continuously taken up a number of issues with the Gol in respect of policy changes in the fertiliser sector. The following are some key policy decisions announced by the Gol in the last year:

- Alignment of phosphate and potassic fertiliser prices to international prices.
- New market linked price norms for additional production of urea. This again is a structural shift to import price parity with a collar and cap.
- Natural gas utilization policy: Urea manufacturing has been accorded highest priority for use of KG basin gas. This priority is not only for existing shortfall but also for future requirements.
- SSP policy changed to recognize international raw material prices.

The Fertiliser Industry's efforts for further changes desired are underway. These include recognition of genuine cost increases and cost components, suitable policy mechanisms to address sharp declines in international prices of crop nutrients and long term gas supply contracts to enable expansion of domestic capacity of Urea. The industry is also pressing its demand for release of subsidy only in cash and buying back of bonds already issued by the Government.

Recognising the national imperative of "Food Security" and the importance of adequate availability of domestic fertilizer, the Department Of Fertiliser worked with the Ministry of Petroleum to promote the allocation of Reliance Industries Limited (RIL) Gas towards the current shortfall faced by the industry. TCL entered into a gas agreement with RIL on 27th March 2007 for 0.88 mmscmd, thus securing our current requirement of gas on a long term basis thus drastically bringing down naphtha usage.

Urea

TCL's urea manufacturing facility located at Babrala, Uttar Pradesh, successfully completed the debottlenecking exercise (rated capacity increased from 3200MT to 3500MT per day) and produced 1,020,691 tonnes of Urea in 2008-09. TCL urea sales registered a growth of 2.3% in 2008-09. TCL sold a record 1,067,189 tonnes of urea as per the Government allocation accounting for 4% of the country's total market for urea. In the focused market of the core command area (300 km radius around the Babrala plant), TCL's market share was 13.06%. Management is of the view that a comprehensive approach to crop nutrition will not only enable the Company to serve farmers better, but would also improve agricultural productivity. Babrala plant has been awarded "The Nakheel Business Sustainability Award" by British Safety Council in 2008-09. It was also awarded with the "CII Excellent Energy Efficient Unit Award for 2008 - 09" by CII.

DAP and NPK (Complex Fertilisers)

The unprecedented volatility in prices of Complex Fertilisers (DAP and NPK) as well as raw materials in global markets resulted in lower production of phosphatic fertilisers including DAP, NPK and SSP at the Haldia plant. The phosphatic fertiliser production for the year 2008-09 was 6,91,848 tonnes. During the year, the Company succeeded in delivering manufacturing and supply chain efficiencies and thus improving the operations of its Haldia plant.

Three years ago, the Company took a strategic one-third stake in IMACID SA, a JV with Chambal Fertilisers and OCP, Morocco in order to secure its supplies of Phosphoric Acid. In the calendar year 2008, IMACID reduced the production of Phosphoric acid to 3.03 lac MT as against 4.22 lac MT in 2007-08 due to a volatile business environment last year with manifold increases in both input & Phosphoric Acid prices.

Tata Kisan Sansar

Tata Kisan Sansar (TKS) is a Service offering from Tata Chemicals for rural agri-inputs. We are evolving this into a partnership model that co-creates value with farmers. The TKS outlets offer a variety of services and have become a trusted interface, providing a variety of farming solutions, such as advice on crops and farming practices, contract farming arrangements and market linkages for agricultural produce. Over 600 TKS outlets are operational in seven states in the North and East of the country. 2008-09 has been a period of consolidation for the network for stabilizing the supply chain while significantly improving the value offered through the TKS outlets. Bundling our service offerings along with product offerings supplied in partnerships with leading manufacturers of seeds and pesticides have provided the convenience of one stop shop offering to the door-step of the farmer.

The network follows a hub and spoke model with 32 hubs (or Tata Kisan Vikas Kendras) that act as central resource centres to service the TKS's, which, in turn, service around 20,000 villages and gives the Company access to over two million farmers. The TKS outlets have over the years built strong bonds with farmers.

NEW BUSINESSES

Khet-Se: Fresh Produce Joint Venture with Total Produce, Ireland

Khet-Se caters to Business to Business (B2B) market with customers such as small retailers, organized retailers and the institutional segments comprising of hotels, restaurants and caterers for their fresh produce requirements.

The Company's operations began in May 2008 with the launch of its first state-of-the-art procurement and distribution facility for fresh fruits and vegetables at Malerkotla, Punjab. This distribution centre has the facility of sorting, grading and packing of all fresh produce, four ripening chambers to ripen fruits like banana and four cold storages. The centre will cater to the fresh produce requirements of Ludhiana and adjoining areas. It also has its procurement bases in Jalgaon, Nasik and Solan from where fresh produce is procured and supplied to the distribution centre in Malerkotla for further supplies in Ludhiana.

Khet-Se is endeavoring to bring in change in the way the fresh produce category operates by targeting the small fruit and vegetable retailer through its conveniently located two cash and carry stores in Ludhiana. Each cash and carry store is primarily aimed at creating Khet-Se value proposition of "Superior Quality".

Amongst its customer segments Khet-Se also supplies fresh produce to various organized retail players. The Company

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has also started its fresh produce trading in Mumbai and has plans to come up with a similar kind of distribution centre around Mumbai. During the last three months of 2008-09, the Company has also ventured into fresh produce exports, wherein it has successfully exported consignments of Pomegranate and Grapes to Dubai, Ireland and Germany.

Bio-fuels

Globally the bio-fuels industry is going through rough weather due to drastic fall in oil prices. However, considering the long term prospects, the Company is continuing its commitment towards bio-fuels. While the projects for which commitments have been made are under implementation, the Company is moving cautiously on commitments for new bio-fuels projects. The Company's current choices of feedstock continue to be Jatropha for Bio Diesel and Sweet Sorghum for Bio Ethanol. The former grows on wasteland and the latter is superior to sugarcane and sustainable in semi-arid agro-climatic conditions of certain states in India. The Company's Innovation Centre is in parallel exploring novel feedstock options and developing more efficient technologies for the manufacture of bio-fuels.

Bio-ethanol

The construction of Company's first bio-ethanol plant has been completed, and the plant is expected to be commissioned in September 2009 post-Kharif season, when the feedstock will be available. Sweet sorghum also has potential in other regions of the world, currently under consideration.

Bio-diesel

The Company acquired a 33.80% stake in JOil (S) Pte Ltd., a company promoted by Temasek Life Sciences Laboratory (TLL), Singapore and other investors. JOil will be producing tissue culture seedlings of Jatropha, and also collaborating with TLL for undertaking research to develop improved Jatropha varieties. The Company has an exclusive arrangement for marketing of seedlings in India and East Africa.

INNOVATION AND TECHNOLOGY**Tata Chemicals Innovation Centre**

During 2008-09, Innovation Centre (IC) continued to grow in strength by attracting highly qualified scientists. As of 31st March 2009, there are 37 scientists in IC including nanotechnologists, biotechnologists, chemists, molecular biologists along with catalysis and bioengineering experts. There are dedicated resources for issues related to IPR and a business development group. IC has also moved to a bigger facility, where pilot scale operations can also be carried out. This will help in developing new products and technologies efficiently. Current projects / areas of activity include:

- Water purification
- Alternate Energy including Bio Diesel and Bio Ethanol
- Catalysis and green chemistry
- Nano materials (including coatings), bio materials and advanced / smart materials
- Specialty and fine chemicals
- Nutraceuticals

Some of the products developed by the Innovation Centre are now being scaled up from Lab to Pilot scale.

Tata Chemicals Centre for Agri-Solutions and Technology

The Tata Chemicals Centre for Agri-solutions and Technology (CAT) at Aligarh is an R&D facility set up to work on new Products and Services in crop nutrition. It is equipped to conduct activities like Research Projects, Collaborative

Projects, R&D Support Activities, Capability Building, etc. In 2008-09 CAT designed and developed customized fertiliser grades for rice, wheat, maize, potato and sugarcane and other R&D work related to foliar nutrition service. Plans for commercializing customized fertilizers are in progress with a new factory coming up for the production of the same in the Babrala complex.

HUMAN RESOURCES

As on March 31, 2009 TCL had 4,992 employees – 3,340 of them in India and 1,652 overseas. Industrial Relations were cordial across the geographies of its operations. In India, Mithapur site has successfully completed verification process under the code of discipline. During the year, the Company worked extensively on identifying the needs of employees across all categories and levels. The employee engagement scores have sustained improvement trends, in all measures.

The Company has a comprehensive Long-term Strategic Plan (LTSP) for Human Resources that is aligned to its long-term strategy. It has robust talent management and succession planning processes in place and closely tracks the talent pipeline for preparing leaders of the future.

At TCL, the focus of learning and development is on building the capabilities of employees so that they are fully geared to handle the current and future needs of the Company. This is also combined with its strong belief that employees play a pivotal role in the Company's transformation and gear up for future growth. On an average during the year, the Company invested around 10 man days per employee in training for managerial personnel and around 5 man days per employee in non-management levels. This was done in a structured manner balancing needs for training in behavioural, functional, managerial and leadership areas.

The Company understands the need to effectively communicate with all stakeholders and continued with its efforts to communicate in an open and transparent manner. The Company was recognized for its communication efforts with fourteen National Awards in 2008 and was also recognized as the industry validated Business Super Brand. The media Share of Voice vis-à-vis peers in the Chemicals and Fertilisers Industry segment were substantially high and the Internal Communication Effectiveness Index (CEI) for employee communication reached an all time high. The Company was able to successfully institutionalize its new credo – 'The Human Touch of Chemistry' during the year.

SUSTAINABILITY

Energy Conservation, Climate Change and Clean Development Mechanisms

TCL is engaged in fostering Sustainability and introducing Climate Change strategies into its operations. The Corporate Technology and Sustainability Group is building networks within the Company and outside to work on sustainable manufacturing practices and respond to the emerging expectations of Climate Change issues. TCL is signatory to the Global Reporting Initiative (GRI), TERI-CoRE, Responsible Care and the Global Corporate Roundtable on Climate Change at Earth Institute, Columbia University. During the year, it has received the Indian Chemical Council's Aditya Birla Award for Most Committed Responsible Care Company.

Manufacturing operations are working towards a "Green Manufacturing Index" to reduce energy consumption, minimize water consumption, reduce pollution load by adopting the concept of Reduce, Recycle & Reuse and has set targets in each area. TCL is signatory to the CII-Mission on Sustainable Growth-Code for Ecologically Sustainable Businesses

TCL is actively pursuing the CDM Process of UNFCC to derive benefits from energy reduction and alternate fuel projects at its various plant locations and several projects have been identified across Mithapur, Babrala and Haldia with potential revenues for the protocol period up to 2012. Four projects are already registered with UNFCCC against which 30,500 MT CER have been issued and about 30,000 MT CER are under review. TCL is also evaluating the possibility of availing carbon credits for Coated Urea, Bio Fuels and Natural Soda ash projects. TCL networks with several international agencies and Carbon Exchanges for aggregating the projects over a period of time to realize the best value for the same. TCL is a member on the Steering Committee and Working Group of Climate Change formed by TQMS for Tata Group Response to Climate Change.

Tata Chemicals Limited**Community Engagement & Environment Management**

Care for the community and sustainability concerns are an integral part of Tata Chemical's Value system. Over the years, TCL has embedded these values into its operations in a variety of ways, such as promoting and establishing the Tata Chemicals Society for Rural Development (TCSR), undertaking and establishing programs and processes for greening and conservation and promotion of volunteerism within the organization. An integrated approach is adopted towards development, wherein, creating social capital within the communities that we serve is given prime importance.

"Uday" – a Rural BPO, set up in partnership with Tata Business Service Solutions (TBSS) at Mithapur to help bridge the digital divide between the rural and urban population, opened a new center at Babrala. Uday provides employment to more than 250 educated rural youth.

"Okhai" is now becoming a well-known brand for handicrafts and garments made by communities around Mithapur. More than 450 women are associated with Okhai. Self-help groups (SHGs) at Babrala, have also initiated the production of Karjobi embroidery. Going forward, Okhai will integrate all such initiatives under it with an aim to empower the artisans associated with it.

The Company has developed expertise in water management and it was awarded the "Beyond the Fence" award constituted by CII for water management second consecutive year. The Company has continued to provide facilitation and resources for making more and more villages surrounding our sites water self-sufficient and resolve water issues in the region.

Ponds are an integral part of the Bengali ethos and at Haldia a program for scientific pond management has been taken up. SHGs in the area are being trained in pond management and maintenance. This training has now reached more than 825 households in the area.

On the conservation front, the Company has initiated the "Dharti Ko Arpan" programs. These include efforts to save the Asiatic Lion by barricading open wells in the Gir Wildlife sanctuary in association with the Gujarat Forest Department and Mangrove plantation in association with IUCN. TCL has also promoted eco-clubs in the rural schools and 20 such clubs promoting understanding and awareness about environment and ecology have been formed. TCL has continued to provide support to "Save the Whale Shark Campaign" for saving the largest fish in world, which is in the critically endangered list. The program is being done in collaboration with Wildlife Trust of India.

TCL also continued to provide development support to the community through programs on health (eye camps, Swasthangan), education (Bal Utsav, adult education) and building infrastructure as required. The employees of Tata Chemicals have participated whole heartedly in all of these programs and the employee volunteering program HOPE was also initiated in the corporate offices. Employees volunteered 18,602 hours towards community development during the year.

Community welfare and development activities have also been carried out at our international locations. At Magadi Soda – Kenya, the programs focused on:

- Community engagement process
- Leveraging support from stakeholders
- Water supply to the local communities and establishment of Magadi water and sanitation company
- Championing the construction of and improving infrastructure of Patterson Memorial School to support education
- Providing scholarships to children
- Health care, HIV& Aids prevention program
- Community Skills Upgrade program
- Promotion of community co-operative for taking up outsourced jobs.

Magadi Soda Foundation was established this year to further increase the focus on development in the region. During this year, monthly consultative SWOT Committee meetings with the community were held to deliberate on issues affecting the Company and the community. These meetings enhanced a Peaceful co-existence with the local

community. Quarterly meetings were held with stakeholders in Magadi division to coordinate development issues in the division.

The Company collaborated with the district steering group through Arid Lands and Neighbors Initiative Alliance for water trucking. The main aim was to support the pastoralists' access to water for livestock and domestic use during the dry season.

Agricultural and livestock extension programmes within the division were supported through partnership with the government departments i.e. National Agricultural & Livestock Extension Programme (NALEP).

Special support was provided to the Patterson Memorial School for construction of administration block, class rooms, laboratory, teachers' residences and solar powered lighting system.

INTERNAL CONTROLS AND RISK MANAGEMENT

As an intrinsic part of the overall Governance process, the Company has in place a well established Internal Audit & Risk Management framework which covers all aspects of financial and operational controls. The Head of the Internal Audit Department reports directly to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring total independence.

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

The scope and authority of the Corporate Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audits at TCL are performed by an in-house team of multi-disciplinary professionals. Reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Head Audit and also review closure of all agreed actions. The Audit Committee also meets the Statutory Auditors separately to ascertain their views on the adequacy and efficacy of internal control systems.

At TCL, we believe that every employee has a role to play in fostering an environment in which controls, assurance, accountability & ethical behavior are given high importance. To supplement the reviews carried out by the internal audit teams, we follow an elaborate system of Control Self Assurance (self audit) which is carried out through the year. The CSA coverage includes all critical departments in the organization and also important third party operations like CFA's & Salt Packing Centres. The CSA process also helps in awareness creation of controls across a wide segment of TCL employees.

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

Today, TCL is the world's most geographically diversified soda ash manufacturer, with manufacturing operations in four continents. Associated with such growth is the resultant change in risk profile. Identification and management of risks is now integral to TCL's strategy and to achieving its long term goals. The Company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact its future performance.

The Risk management framework at TCL encompasses the following activities:

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

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- Risk Measurement and Control: Owners are identified for all identified risks and they go on to develop and deploy mitigation strategies. Measurement indices are used to evaluate effectiveness of the mitigation plans.
- Risk Reporting and Review: Besides detailed review by the Executive Committee the risk status and exposures are also reviewed periodically by the Audit Committee of the Board.

Some of the major risks and concerns identified are:

- 1) Global economic slowdown – The unprecedented economic slowdown in the global economy has impacted markets and resulted in reduced consumer wealth and consequent demand. While the breadth of TCL's portfolio and geographic spread has helped mitigate the crisis to an extent, it aims to protect profits through a rigorous enterprise-wide cost compression exercise under an initiative called ADAPT.
- 2) Financial Risks – Turbulence in the financial markets has led to unprecedented volatility and also lower availability of funds. TCL's strong balance sheet and active treasury/financial management have ensured minimum adverse impact. Focus has been on liquidity and several enterprise wide initiatives are in place to ensure optimized cash management. Because of TCL's breadth in international operations, its foreign currency borrowings and dependency on imports for phosphatic fertilisers, it is subject to risks from changes in the relative value of currencies. TCL's elaborate Treasury policy ensures that forex exposures are within prescribed limits and forex forward contracts are used judiciously.
- 3) Government Subsidy on sale of fertilisers – Uncertainty regarding the timing of receipts of government subsidy in our fertiliser business is a major factor affecting cash flows and working capital requirements. While Government has attempted to address this through issue of bonds, the marketability and value of bonds continues to be an issue. TCL's treasury policy anticipates this risk and adequate precautions have been built in to minimize any adverse impact.
- 4) Input costs and securitization of raw materials for fertiliser business – Prices of raw materials for phosphatic fertilisers are subject to economic conditions and global demand-supply balances. The fertiliser policy provides for a subsidy based on Import Parity Price. Hence it is imperative that imports are competitive. While TCL has entered into long term supply contracts for its key raw materials, pricing of these are normally formula based. TCL actively monitors the environment for opportunities and maintains good supplier relationships to ensure minimal impact of commodity price fluctuations.
- 5) People and Talent – Attracting and retaining talented employees is core to our success. TCL has, over the years, embarked on several "people initiatives" to enhance the environment and help employees achieve their personal and professional goals. Work life balance is consciously pursued. TCL's performance appraisal systems are well integrated with business objectives and help bring out the best in individuals. Investment in employees through training is constantly made to ensure that employees are equipped for challenges in their roles.
- 6) Safety and Environment related risks – TCL is conscious of its strong corporate reputation and the positive role it can play by focusing on social and environmental issues. Towards this, the Company has set exacting standards in safety, ethics and environmental management. The Company continues to recognize the importance of safety and environmental issues in its operations and has established comprehensive indicators to track performance in these areas. TCL values the safety of employees and constantly raises the bar in ensuring a safe work place.

The Company constantly benchmarks its Internal Audit and Risk Management function with global best and ensures that high standards are set to meet the challenges of the external environment.

Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Introduction

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

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

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

2. Board of Directors

Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Ordinary Shares are listed. The composition of the Board as on March 31, 2009 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Promoter, Non-executive (including Chairman)	2	17%
Executive (including Managing Director)	3	25%
Independent, Non-Executive	6	50%
Non-Independent, Non-Executive	1	08%

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

Meetings held

The Board met 12 (twelve times) on the following dates during the financial year 2008-2009.

April 03, 2008	August 04, 2008	November 26, 2008
May 27, 2008	August 28, 2008	January 14, 2009
June 24, 2008	September 25, 2008	January 28, 2009
July 30, 2008	October 30, 2008	March 30, 2009

Board Procedure

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

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

Code of Conduct

The Company had adopted the Tata Code of Conduct for all the employees of the Company including the Whole-time Directors. The Board had also approved a Code of Conduct for Non-Executive Directors. The Code of Conduct for the employees as well as Non-Executive Directors are posted on the Company's website.

Further, all the Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

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Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2008-2009 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other public limited companies as on March 31, 2009 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2008-2009	Whether attended AGM held on Aug 04, 2008	Number of Directorships in other public limited companies*		No. of Committee positions held in other public limited companies*	
				Chairman of the Board	Board Member	Chairman of the Committee	Member
Mr. Ratan N. Tata (Chairman)	Promoter, Non-Executive	8	Yes	9	1	—	—
Mr. R. Gopalakrishnan (Vice-Chairman)	Promoter, Non-Executive	12	Yes	2	6	—	3
Mr. Nusli N. Wadia	Independent, Non-Executive	9	Yes	3	5	—	—
Mr. Prasad R. Menon	Non-Independent, Non-executive	10	Yes	3	6	—	—
Dr. T. Mukherjee (ceased to be a director w.e.f. 30.03.09)	Non-Independent, Non-Executive	10	Yes	—	—	—	—
Mr. Homi R. Khusrokhhan (ceased to be Managing Director & Director w.e.f. 14.12.08)	Managing Director	8	Yes	—	—	—	—
Mr. Nasser Munjee	Independent, Non-Executive	9	Yes	1	12	4	5
Dr. Yoginder K. Alagh	Independent, Non-Executive	12	Yes	—	1	—	2
Dr. M. S. Ananth (appointed as an Additional Director w.e.f. 03.04.08)	Independent, Non-Executive	3	Yes	—	2	1	—
Mr. Arun Nath Maira (appointed as an Additional Director w.e.f. 25.09.08)	Independent, Non-Executive	4	—	—	5	1	—
Mr. Eknath A. Kshirsagar (appointed as an Additional Director w.e.f. 26.11.08)	Independent, Non-Executive	4	—	—	5	3	4
Mr.R. Mukundan (appointed as an Executive Director from 26.11.08 and as a Managing Director from 15.12.08)@	Managing Director	4	—	—	—	—	—
Mr. Kapil Mehan (appointed as an Executive Director w.e.f 26.11.08)@	Executive Director	4	—	—	—	—	—
Mr. P. K. Ghose (appointed as an Executive Director w.e.f. 26.11.08)@	Executive Director	4	—	—	2	1	—

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

@ Appointment is subject to approval of the shareholders' at the ensuing Annual General Meeting.

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

Shareholdings of Non-executive Directors as on March 31, 2009 are as under:

Name	No. of Ordinary shares held	% of Paid-up Capital
Mr. Ratan N. Tata (Chairman)	28695	0.012%
Mr. R. Gopalakrishnan (Vice-Chairman)	15000	0.006%
Mr. Arun Nath Maira	1251	0.001%

3. Audit Committee

Meetings held:

During the financial year 2008-2009, 8 (eight) Audit Committee meetings were held on the following dates:

May 26, 2008	October 29, 2008
June 12, 2008	January 28, 2009
July 29, 2008	February 07, 2009
September 11, 2008	March 05, 2009

Composition and Attendance :

Name of Director	Composition as on March 31, 2009	No. of meetings Attended
Mr. Nasser Munjee	Chairman	8
Mr. R. Gopalakrishnan	Member	8
Dr. Yoginder K. Alagh	Member	8
Mr. Eknath A. Kshirsagar (appointed as a member of the Audit Committee on 28.01.09)	Member	2

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

Terms of Reference

The terms of reference of the Audit Committee, broadly are as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
3. Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
4. Reviewing the adequacy of internal control systems and internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
5. Discussing with internal auditors any significant findings and follow up there on.
6. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
7. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Tata Chemicals Limited

8. To look into the reasons, if any, for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
9. Reviewing of the Internal Audit Reports of the foreign subsidiaries.
10. In addition to the above, all items listed in Clause 49 (II) (D) of the Listing Agreement.

At the Board Meeting held on 30th March 2009, the Board of Directors have revised the Charter of Audit Committee to enhance the scope, coverage and responsibility of the Audit Committee. The gist of the terms are as under :-

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

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

Company Secretary acts as the Secretary to the Committee.

Mr. Nasser Munjee – Chairman of Audit Committee, Mr. R. Gopalakrishnan, Dr. Yoginder K. Alagh – Members of the Audit Committee were present at the last Annual General Meeting held on August 04, 2008.

4. Remuneration Committee

Meetings Held:

During the financial year 2008-2009, 2 (two) Remuneration Committee meetings were held on June 26, 2008 and November 26, 2008.

Composition and Attendance:

Name of Director	Composition as on March31, 2009	No. of meetings attended
Mr. Nusli N. Wadia	Chairman	2
Mr. Ratan N. Tata	Member	2
Mr. R. Gopalakrishnan	Member	2

Terms of Reference:

- To appraise the performance of Managing and Executive Director and
- To determine and recommend to the Board, compensation payable to Managing and Executive Director.

Remuneration Policy:

Non-Executive Directors

The remuneration of the Non-Executive Directors (NEDs) of the Company is decided by the Board of Directors. The NEDs are paid remuneration by way of Commission and Sitting Fees. In terms of the approval of the members at the 69th Annual General Meeting of the Company held on August 04, 2008, commission is paid at a rate not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956. The distribution of the commission amongst the NEDs is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on operational matters.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2008-2009.

Managing Director and Executive Directors

The Company pays remuneration to its Managing Director and Executive Directors by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Salary is paid within the overall limits approved by the members of the Company. The Board, on the recommendations of the Remuneration Committee, approves the annual increments (effective 1st April each year). Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee to the Board. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.

Details of remuneration paid to the Managing Director and Executive Directors during the financial year 2008-2009

(Rupees)

Director	Salary	Perquisites and Allowance #	Commission (for the financial year 2007-2008) paid in 2008-2009
Mr. Homi R. Khusrokhani (retired w.e.f. December 14, 2008)	33,80,645	98,94,376	120,00,000
Mr. R. Mukundan@ (appointed as an Executive Director w.e.f. November 26, 2008 and as Managing Director w.e.f. December 15, 2008)	10,41,667	19,16,518	-
Mr. Kapil Mehan@ (appointed as an Executive Director w.e.f. November 26, 2008)	9,37,500	20,41,246	-
Mr. P.K.Ghose@ (appointed as an Executive Director w.e.f. November 26, 2008)	9,37,500	11,04,714	-

Does not include contribution to Gratuity Fund, as separate figures are not available for the Managing Director/Executive Directors.

@ Remuneration is subject to the Shareholders' approval at the ensuing Annual General Meeting.

Service Contracts, Severance Fees and Notice Period

Terms of Agreement	Mr. Homi R. Khusrokhani	Mr. R. Mukundan*	Mr. Kapil Mehan*	Mr. P. K. Ghose*
Period of Contract	Retired with effect from December 14, 2008	November 26, 2008 to November 25, 2013	November 26, 2008 to November 25, 2013	November 26, 2008 to November 25, 2013
Severance Fees	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no provision for payment of severance fees.			

*Details of their appointment and terms of appointment form part of the Notice of Annual General Meeting in which approval of the Members is sought for the same.

Tata Chemicals Limited
Non-Executive Directors:
(Rupees)

Director	Sitting Fees	Commission (for the financial year 2007-2008) paid in 2008-2009
Mr. Ratan N. Tata	2,35,000	43,29,000
Mr. R. Gopalakrishnan	4,75,000	47,48,000
Mr. Nusli N. Wadia	2,20,000	13,63,000
Mr. Prasad R. Menon	2,20,000	32,48,000
Dr. D.V.Kapur (ceased to be Director w.e.f. July 27, 2007)	—	3,87,000
Dr. T. Mukherjee (ceased to be a Director w.e.f. March 30, 2009)	2,00,000	9,67,000
Mr. Nasser Munjee	3,40,000	40,24,000
Dr. Vijay L. Kelkar (ceased to be a Director w.e.f. December 31, 2007)	—	17,40,000
Dr. Yoginder K. Alagh	4,25,000	31,94,000
Dr. M. S. Ananth (appointed as an Additional Director w.e.f. April 3, 2008)	60,000	—
Mr. Arun Nath Maira (appointed as an Additional Director w.e.f. September 25, 2008)	80,000	—
Mr. Eknath A. Kshirsagar (appointed as an Additional Director w.e.f. November 26, 2008)	1,20,000	—

Commission payable to the Directors for the financial year 2008-09

Non Executive Directors	: Rs. 250 lacs
Mr. Homi R. Khusrokhhan	: Rs. 100 lacs
Mr. R. Mukundan	: Rs. 20 lacs
Mr. Kapil Mehan	: Rs. 15 lacs
Mr. P. K. Ghose	: Rs. 15 lacs

As per the practice, commission to the Directors is paid after the annual accounts are adopted by the members at the Annual General Meeting.

5. Shareholders'/Investors' Grievance Committee

During the financial year 2008-2009, 2 (two) meetings were held on June 12, 2008 and February 07, 2009.

Composition and Attendance:

Name of Director	Composition as on March 31, 2009	No. of meetings attended
Dr. Yoginder K. Alagh	Chairman	2
Mr. Homi R. Khusrokhhan*	Member	1
Mr. R. Mukundan@	Member	1

*ceased to be a Managing Director w.e.f 14.12.2008

@ appointed as a member by virtue of his appointment as a Managing Director w.e.f. 15.12.08, subject to the shareholders' approval at the ensuing Annual General Meeting.

Terms of Reference:

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

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

Status of Investor Complaints as on March 31, 2009 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2008	:	Nil
Received during the year	:	15
Resolved during the year	:	15
Pending as on March 31, 2009	:	Nil

Name, Designation and address of Compliance Officer

Mr. Rajiv Chandan
 Company Secretary & Head - Legal
 Tata Chemicals Limited
 Bombay House, 24 Homi Mody Street,
 Fort, Mumbai 400 001

6. Committee of Directors

This Committee (non-mandatory) was constituted in the year 1998. Composition of the Committee consists of:

Mr. Ratan N. Tata	-	Chairman
Mr. R. Gopalakrishnan	-	Member
Mr. Nusli N. Wadia	-	Member
Mr. Prasad R. Menon	-	Member
Mr. Homi R. Khusrokhhan	-	Member (upto December 14, 2008)
Mr. R. Mukundan	-	Member (w.e.f. December 15, 2008)

Meetings Held:

One meeting was held during the financial year 2008-2009 on September 12, 2008. Mr. Ratan N. Tata, Mr. R. Gopalakrishnan, Mr. Prasad Menon and Mr. Homi R. Khusrokhhan attended the meeting.

Terms of Reference:

- To periodically review the ongoing capital expenditure and the investments made by the Company.
- To examine new proposals for investments from the stand point of their business and financial impact.
- To formulate the future strategic direction and business development of the Company.

7. Nomination Committee

The Committee (Non Mandatory) was constituted on May 27, 2008.

Meetings Held:

During the financial year 2008-2009, 3 (three) Nomination Committee meetings were held on June 24, 2008, August 04, 2008, and September 12, 2008.

Composition and Attendance:

Name of Director	Composition as on March 31, 2009	No of meetings attended
Dr. Yoginder K. Alagh	Chairman	3
Mr. Ratan N. Tata	Member	3
Mr. R. Gopalakrishnan	Member	3

Tata Chemicals Limited
Terms of Reference:

- To make recommendations to the Board regarding the composition of the Board.
- To identify Independent Directors to be inducted to the Board from time to time.
- To take steps to refresh the composition of the Board from time to time.

8. Details on General Body Meetings:

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

Annual General Meeting (AGM):

Year	Location	Date	Day	Time
2005-06	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020	July 17, 2006	Monday	3.30 p.m.
2006-07	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020	July 27, 2007	Friday	3.00 p.m.
2007-08	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020	August 04, 2008	Monday	3.00 p.m.

Special resolutions passed at the last 3 Annual General Meetings (AGM)

1. At the AGM held on July 17, 2006 : There was no matter that required passing of special resolution.
2. At the AGM held on July 27, 2007:- Approving the change in the place of keeping the Registers and Records of the Company pursuant to Section 163 of the Companies Act, 1956.
3. At the AGM held on August 04, 2008:- Approving the payment of Commission to Non-Wholetime Directors pursuant to Section 309 of the Companies Act, 1956.

None of the resolutions was required to be passed through postal ballot.

9. Disclosures
Related Party Transactions

During the financial year 2008-2009 there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.

Statutory Compliance, Penalties and Strictures

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

CEO/CFO Certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2009.

Whistle Blower Policy

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

Non-Mandatory Requirements:

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

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

- The Company has adopted the guidelines for the composition of the Board of Directors, which provide for the tenure and retirement age for the Non-Executive Directors.
- The Company has set up a Remuneration Committee pursuant to Clause 49 of the Listing Agreement. The broad terms of reference of the Committee are to appraise the performance of Managing/ Executive Directors, determine and recommend to the Board, compensation payable to Managing/ Executive Directors.
- The Company has also set up Committee of Directors and Nomination Committee. The details of these Committees are given above.

10. Means of Communication:

- The quarterly results are published in the following Newspapers:
- Indian Express (English)
- Business Standard (English)
- Loksatta (Marathi)
- Sandesh (Gujarati)
- The financial results are displayed on www.tatachemicals.com.
- Management Discussion and Analysis forms part of the Annual Report.
- The official news releases, presentation made to the Shareholders at the Annual General Meeting and the presentation made to analysts are posted on the Company's website.

11. General Shareholder Information

Annual General Meeting

- Date and Time** : July 30, 2009 at 3.00 p.m.
- Venue** : Birla Matushri Sabhagar, 19 Sir Vitthal Das Thackersey Marg, Mumbai - 400 020
- Financial year** : April to March
- Book Closure Date** : July 16, 2009 to July 30, 2009 (both days inclusive - for the purpose of AGM and Dividend)
- Dividend payment date** : On or after July 31, 2009
- Listing on Stock Exchanges** : The Company's Ordinary Shares are listed on the following Stock Exchanges:
- (1) The Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
 - (2) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.
 - (3) The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata 700 001.

[The application for delisting of shares is still pending with the Calcutta Stock Exchange and the Company is vigorously following up in this matter.]

The Company has paid the Annual Listing fees, for the financial year 2008-09.

Stock Code:

The Bombay Stock Exchange Limited, (Physical Segment)	TATACHM770
The Bombay Stock Exchange Limited (Demat Segment)	TATACHM500770
The National Stock Exchange of India Limited	TATACHEM EQ
The Calcutta Stock Exchange Association Limited	TATACHEM30012

Tata Chemicals Limited

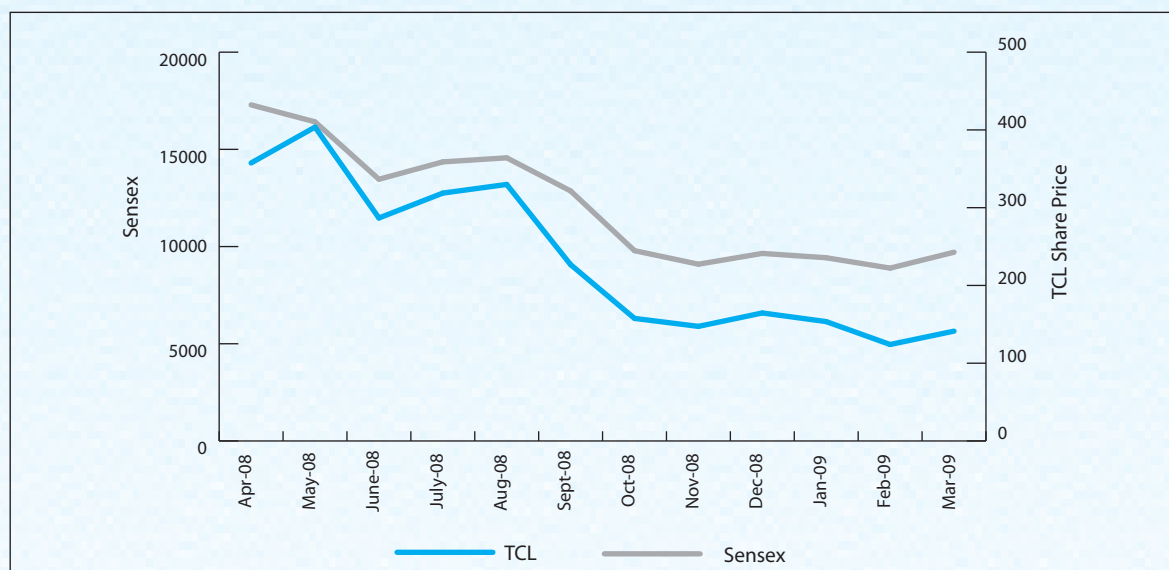
Demat ISIN in NSDL and CDSL for Equity Shares

INE092A01019

Market Price Data:

	Bombay Stock Exchange (in Rupees.)		National Stock Exchange (in Rupees.)	
	High	Low	High	Low
Apr-2008	378.90	279.25	381.20	280.00
May-2008	440.00	322.00	440.45	325.00
Jun-2008	407.40	284.40	409.80	285.00
Jul-2008	322.00	251.00	316.40	250.70
Aug-2008	360.80	306.50	360.70	306.20
Sep-2008	336.10	206.80	336.00	208.00
Oct-2008	232.80	116.10	231.00	118.00
Nov-2008	189.00	134.10	190.00	133.00
Dec-2008	175.25	135.05	174.95	132.85
Jan-2009	182.90	147.00	183.90	147.00
Feb-2009	159.00	123.10	157.40	123.60
Mar-2009	152.90	99.70	152.40	95.20

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



Registrar and Transfer Agents.

TSR Darashaw Limited

Unit: **TATA CHEMICALS LIMITED**
6-10 Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road
Mahalaxmi, Mumbai – 400 011

Tel. : 022 6656 84 84
Fax : 022 6656 84 94
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com
Business Hours : 10.00 a.m. to 3.30 p.m.
(Monday to Friday)

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

TSR Darashaw Limited

503, Barton Centre, 5th Floor
84, M. G. Road,
Bangalore - 560 001
Tel: 080 25320321
Fax: 080 25580019
E-mail: tsrdlbgang@tsrdarashaw.com

TSR Darashaw Limited

Tata Centre, 1st Floor,
43, Jawaharlal Nehru Road
Kolkata - 700 071
Tel: 033 22883087
Fax: 033 22883062
e-mail: tsrdlcal@tsrdarashaw.com

TSR Darashaw Limited

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

TSR Darashaw Limited

Bungalow No. 1, 'E' Road
Northern Town, Bistupur
Jamshedpur - 831 001
Tel: 0657 2426616
Fax: 0657 2426937
E-mail: tsrdljsr@tsrdarashaw.com

TSR Darashaw Limited

C/o Shah Consultancy Services Limited
3, Sumathinath Complex,
Pritam Nagar, Akhada Road,
Ellis Bridge,
Ahmedabad – 380 006
Tel: 079-2657 6038
Email: shahconsultancy@hotmail.com

Share Transfer Process:

Share in physical forms are processed by the Registrar and Share transfer agent within 15-20 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Chief Financial Officer and the Company Secretary have been severally empowered to approve transfers.

Distribution of Shareholding as on March 31, 2009

Category	No. of Shares	Percentage	No. of Shareholders	Percentage
1 - 500	2,27,83,992	9.69	1,95,132	89.27
501 - 1000	95,39,841	4.05	12,815	5.86
1001 - 2000	86,92,680	3.69	6,078	2.78
2001 - 3000	46,68,267	1.99	1,880	0.86
3001 - 4000	27,27,265	1.16	774	0.36
4001 - 5000	23,52,059	1.00	517	0.24
5001 - 10000	58,28,723	2.48	833	0.38
Greater than 10000	17,85,76,539	75.94	551	0.25
Total	23,51,69,366	100.00	2,18,580	100.00

Tata Chemicals Limited
Category of shareholding as on March 31, 2009

Category	No. of Shares	Percentage
Tata Companies & Trusts	6,87,48,078	29.23
Resident Individuals	5,76,99,076	24.54
Foreign Holdings	2,09,49,192	8.91
Public Financial Institutions	4,67,16,707	19.86
Government / Government Companies	76,048	0.03
Other Companies, Mutual Funds	4,07,56,850	17.33
Nationalised Banks	2,23,415	0.10
Total	23,51,69,366	100.00

Dematerialization of shares and liquidity:

Percentage of Shares held in

physical form	:	5.04
electronic form with NSDL	:	91.65
electronic form with CDSL	:	3.31

The Company's Ordinary shares are regularly traded on the Bombay Stock Exchange Limited and on The National Stock Exchange of India Limited.

Foreign Currency Convertible Bonds:

Brief terms of the Foreign Currency Convertible Bonds (FCCBs) issued in 2004-05 are as under:

Total Issue size	:	US\$150 million
Face Value	:	US\$ 1000 each
Initial Conversion price	:	Rs. 231.375 per Ordinary Share
New Conversion price	:	Rs. 230.78 per Ordinary Share (refer Note No. 8 of Notes to Accounts)
Conversion Period	:	Between March 13, 2005 and January 22, 2010
Conversion during year 2008-09	:	US\$ 6.22 million
Outstanding FCCBs	:	US\$ 43.91 million

Plant Locations

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

Subsidiaries

- : Homefield International Pvt. Ltd.
IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius
- Homefield Pvt. UK Ltd.
18, Grosvenor Place, London, SW1X7HS
- Brunner Mond Group Limited
Mond House, Winnington, Northwich, Cheshire, CW84DT
- Brunner Mond (UK) Limited
- Brunner Mond Limited
- The Magadi Soda Company Limited, Kenya
- Brunner Mond (South Africa) (Pty) Limited
- Northwich Resource Management Limited
- Brunner Mond Generation Company Limited
- Transcontinental Holdings Limited
- Magadi Railway Company Limited
- Brunner Mond B.V.

Joint Ventures

Wyoming 1 (Mauritius) Pvt. Ltd.
 IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius

Wyoming 2 (Mauritius) Pvt. Ltd.
 IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius

Gusiute Holdings (UK) Ltd
 Mond House, Winnington, Northwich, Cheshire, CW84DT

Valley Holdings, Inc. Corporation Trust Center,
 1209 Orange Street, Wilmington, Delaware 19801,
 New Castle.

General Chemical Industrial Products Inc.
 120 Eagle Rock Avenue, East Hanover
 N J – 07936

- General Chemical International Inc
- NHO Canada Holdings Inc.
- General Chemical (Soda Ash) Inc.
- Bayberry Management Corporation
- General Chemical (Soda Ash) Partners LLC
- General Chemical (Great Britain) Limited
- General Chemical Canada Holding Inc.

Bio Energy Venture – 1 (Mauritius) Pvt. Ltd
 IFS Court, TwentyEight, Cybercity, Ebene, Mauritius

Bio Energy Venture – 2 (Mauritius) Pvt. Ltd
 IFS Court, TwentyEight, Cybercity, Ebene, Mauritius

Tata Chemicals Asia Pacific Pte. Ltd.
 (Representative Office) 5 Shenton Way, # 09-03
 UIC Building, Singapore - 068808

Grown Energy Zambeze Holdings Pvt. Ltd.
 IFS Court, TwentyEight, Cybercity, Ebene, Mauritius

: Indo Maroc Phosphore S.A (IMACID)
 Immeuble OCP, 2, rue Al Abtal – Hay Erraha,
 Casablanca, Morocco.

Lake Natron Resources Ltd.
 National Development Corporation
 Room No. 503, 5th Floor, Development House
 Kivukoni Front / Ohio Street, P.O Box 2669
 Dar-e-Salaam

Kemax B.V.
 Oosterhorn 4, 9936 HD Farmsum, Delfzijl,
 The Netherlands.

Khet-Se Agriproduce India Pvt. Ltd.
 Jeevan Bharati Building
 10th Floor, Connaught Place
 New Delhi – 110 001

Alcad
 c/o General Chemical Industrial Products
 120 Eagle Rock Avenue
 East Hanover, NJ 07936
 USA

JOil (S) Pte. Ltd.
 1Research Link, National University of Singapore,
 Singapore – 117604

: Tata Chemicals Limited
 Bombay House,
 24, Homi Mody Street, Fort,
 Mumbai 400 001.

Address for correspondence

Tata Chemicals Limited**DECLARATION**

I R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2009.

For Tata Chemicals Limited

Mumbai
Date: May 28, 2009

R. Mukundan
Managing Director

AUDITORS' CERTIFICATE**TO THE MEMBERS OF
TATA CHEMICALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Tata Chemicals Limited** ("the Company"), for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For and on behalf of
DELOITTE HASKINS & SELLS.
Chartered Accountants

NALIN M. SHAH
Partner
Membership No: 15860

Mumbai : 28th May, 2009

For and on behalf of
N.M.RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No:- 37924

Summarised Balance Sheet

	2008-09 Rs. in crores	2007-08 Rs. in crores
WHAT THE COMPANY OWNED:		
1 FIXED ASSETS		
Gross Block (Including CWIP)	3,901.76	3,460.82
Less : Depreciation and Impairment	2,058.01	1,948.24
Net Block	1,843.75	1,512.58
2 INVESTMENTS	4,473.73	3,741.40
3 FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE	237.39	-
4 NET CURRENT ASSETS	1,083.55	939.24
5 MISCELLANEOUS EXPENDITURE	-	0.53
6 Total	7,638.42	6,193.75
WHAT THE COMPANY OWED:		
1 Loans	3,676.10	2,343.84
2 Net Worth	3,859.30	3,571.68
Represented by		
Share Capital	Rs. 235.23 crores (Previous year Rs. 234.06 crores)	
Reserves and Surplus ..	Rs. 3624.07 crores (Previous year Rs. 3367.62 crores)	
3 DEFERRED TAX LIABILITY (net)	103.02	278.23
4 Total	7,638.42	6,193.75

Summarised Profit and Loss Account

	2008-09 Rs. in crores	2007-08 Rs. in crores
1 Income		
Sales and Operating Income	8,399.64	4,075.63
Other Income	149.87	601.74
Total	8,549.51	4,677.37
2 EXPENDITURE		
Manufacturing and Other Expenses	7,442.13	3,331.73
Employee Separation Compensation Amortised	0.53	3.17
Depreciation and Amortisation	163.03	148.76
Borrowing Costs	191.23	38.02
Foreign exchange (gain)/loss on borrowings	92.32	(1.41)
Total	7,889.24	3,520.27
3 PROFIT BEFORE TAX	660.27	1,157.10
4 Taxes	208.22	207.92
5 PROFIT AFTER TAX	452.05	949.18
6 BALANCE BROUGHT FORWARD	1,574.10	967.07
7 AMOUNT AVAILABLE FOR APPROPRIATIONS	2,026.15	1,916.25
8 APPROPRIATIONS :		
(a) Proposed Dividend	211.65	211.25
(b) Tax on Dividend	35.97	35.90
(c) General Reserve	45.21	95.00
(d) Balance carried to Balance Sheet	1,733.32	1,574.10
Total	2,026.15	1,916.25

Tata Chemicals Limited**AUDITORS' REPORT****TO THE MEMBERS OF
TATA CHEMICALS LIMITED**

1. We have audited the attached Balance Sheet of **TATA CHEMICALS LIMITED ("the Company")** as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31st March, 2009 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS****Chartered Accountants**

NALIN M. SHAH

Partner

Membership No. 15860

MUMBAI, 28th May, 2009For **N. M. RAIJI & CO.****Chartered Accountants**

J. M. GANDHI

Partner

Membership No. 37924

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities and financial position, sub clauses (xiii) and (xviii) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for verification of all the fixed assets at reasonable intervals. The discrepancies noticed on physical verification were not material and they have been properly dealt with in the books of account.
 - (c) During the year, the Company has not disposed off a substantial part of its fixed assets.
- (iii) In respect of its inventories:
 - (a) As explained to us, the stocks of stores and spares, raw materials and finished goods have been physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. The discrepancies noticed have been properly dealt with in the books of account.
- (iv) In respect of the loans, secured and unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) During the year, the Company has granted unsecured loans aggregating Rs. 65.02 crores (including interest capitalised) to a wholly-owned subsidiary. The balance as on 31st March, 2009 and maximum amount outstanding during the year, both were Rs. 372.43 crores.
 - (b) The rate of interest and other terms and conditions on which such loans have been granted, are in our opinion *prima facie* not prejudicial to the interests of the Company.
 - (c) The Company to whom loans have been granted as referred to in (a) above, was regular in the payment of principal and interest as per agreed terms.
- (v) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vii) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that during the year there are no contracts and arrangements the particulars of which needed to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
- (viii) According to the information and explanations given to us, there are no deposit from the public in terms of section 58A of the companies Act, 1956.

Tata Chemicals Limited

- (ix) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (x) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the Maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain products manufactured by the Company viz., Cement, Caustic Chlorine, Soda Ash, Ammonia, Urea, Diammonium Phosphate, Nitrogen Phosphorous Potash, Single Super Phosphate and Sodium Tripolyphosphate and are of the opinion that *prima facie* the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of records with a view to determining whether they are accurate and complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (xi) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, applicable to it, except to the extent indicated in (b) below.
- (b) There were no undisputed amount outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable except income tax (tax deducted at source) amounting to Rs. 4,02,373 which has been paid subsequently.
- (c) Details of Sales Tax, Income Tax, Customs Duty and Excise Duty which have not been deposited with the concerned authorities as at 31st March, 2009 on account of dispute are given below:

Particulars	Financial years to which the matter pertains	Forum where dispute is pending	Amount (Rs.in crores)
Sales Tax (Central and State) and Value Added Tax	2000-01	High Court	2.04
	1991-92, 1994-99 and 2000-03	Tribunal	15.96
	1995-99 and 2001-05	Appellate authority upto Commissioner's level	5.95
Custom Duty	1991-92	Supreme Court	3.96
	2001-04	Tribunal	6.98
	1987-88, 1992-93, 2001-02	Appellate authority upto Commissioner's level	0.19
Excise Duty	1974-80, 1981-85 and 1994-2000	Supreme Court	0.31
	1985-1988, 1996-97	Tribunal	0.05
	1994-2000, 2004-05 and 2006-08	Appellate authority upto Commissioner's level	68.27

- (xii) The Company does not have accumulated losses and has not incurred cash losses during the financial year and in the immediately preceding financial year.

- (xiii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.
- (xiv) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments, except for mutual fund units, in which temporary surplus funds are invested. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The units of mutual funds have been held by the Company in its own name.
- (xvi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for the loans taken by others from financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xvii) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were *prima facie* applied by the Company during the year for the purposes for which they were obtained.
- (xviii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that no funds raised on short-term basis have *prima facie* been utilised during the year for long-term investment.
- (xix) According to the information and explanations given to us and the records examined by us, securities have been created in respect of the debentures issued.
- (xx) The Company has not raised any money by way of a public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

NALIN M. SHAH

Partner

Membership No. 15860

MUMBAI, 28th May, 2009

For **N. M. RAIJI & CO.**

Chartered Accountants

J. M. GANDHI

Partner

Membership No. 37924

Tata Chemicals Limited
Balance Sheet as at 31st March, 2009

	Schedule	Page	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	68		235.23	234.06
(b) Reserves and Surplus	B	68		3,624.07	3,337.62
				3,859.30	3,571.68
2. LOAN FUNDS					
(a) Secured	C	69	249.48		47.97
(b) Unsecured	D	69	3,426.62		2,295.87
				3,676.10	2,343.84
3. DEFERRED TAX LIABILITY (net)				103.02	278.23
(Note 5, page 83)					
4. TOTAL				7,638.42	6,193.75
APPLICATION OF FUNDS					
5. FIXED ASSETS					
(a) Gross Block			3,602.99		3,291.44
(b) Less : Depreciation and Impairment			2,058.01		1,948.24
(c) Net Block	E	70	1,544.98		1,343.20
(d) Capital Work-in-Progress			298.77		169.38
				1,843.75	1,512.58
6. INVESTMENTS	F	71		4,473.73	3,741.40
7. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE				237.39	—
(Note 26, page 93)					
8. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	G	74	969.80		657.64
(b) Sundry Debtors	H	74	1,001.73		639.50
(c) Cash and Bank Balances	I	75	638.75		277.63
(d) Loans and Advances	J	75	669.31		686.92
			3,279.59		2,261.69
Less :					
9. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	76	1,823.33		970.66
(b) Provisions	L	76	372.71		351.79
			2,196.04		1,322.45
10. NET CURRENT ASSETS (8-9)				1,083.55	939.24
11. MISCELLANEOUS EXPENDITURE	M	76		—	0.53
12. TOTAL				7,638.42	6,193.75
13. Notes on the Balance Sheet and Profit and Loss Account	N	77			

As per our report attached

 For DELOITTE HASKINS & SELLS
Chartered Accountants

 NALIN M. SHAH
Partner

Mumbai, 28th May, 2009.

 For N. M. RAJI & CO.
Chartered Accountants

 J. M. GANDHI
Partner

 Rajiv Chandan
Company Secretary & Head Legal

For and on behalf of the Board

 Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder K. Alagh
Dr. M. S. Ananth
Arun Nath Maira
Eknath A. Kshirsagar
R. Mukundan
Kapil Mehan
P. K. Ghose

 Chairman
Vice-Chairman

Directors

 Managing Director
Executive Director
Executive Director & CFO

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Page	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
INCOME					
1. Sales	1 (1)	64	8,537.21		4,207.13
Less : Excise Duty			174.51		170.82
Net Sales				8,362.70	4,036.31
2. Operating Income	1 (2)	64		36.94	39.32
3. Other Income	2	64		118.03	601.74
4. Reversal of impairment (Note 27, page 93)				31.84	—
5. TOTAL INCOME				8,549.51	4,677.37
EXPENDITURE					
6. Manufacturing and Other Expenses	3	65	7,442.13		3,331.73
7. Employee Separation Compensation Amortised			0.53		3.17
8. Borrowing Costs	4	66	191.23		38.02
9. Foreign exchange (gain)/loss on borrowings			92.32		(1.41)
			7,726.21		3,371.51
10. Depreciation and Amortisation			163.03		148.76
11. TOTAL EXPENDITURE				7,889.24	3,520.27
PROFIT BEFORE TAX					
12. PROVISION FOR TAX					
(a) Current (includes short provision of prior year Rs. 2.35 crores, previous year Rs. Nil)			255.83		217.61
(b) Deferred			(49.08)		(12.99)
(c) Fringe Benefit Tax (net of excess provision of prior year Rs. 1.15 crores, previous year Rs. Nil)			1.47		3.30
				208.22	207.92
PROFIT AFTER TAX					
13. BALANCE BROUGHT FORWARD				452.05	949.18
				1,574.10	967.07
14. AMOUNT AVAILABLE FOR APPROPRIATIONS					
15. APPROPRIATIONS :					
(a) Proposed Dividend				211.65	211.25
(b) Tax on Dividend				35.97	35.90
(c) General Reserve				45.21	95.00
(d) Balance carried to Balance Sheet				1,733.32	1,574.10
				2,026.15	1,916.25
16. EARNINGS PER SHARE (Rupees) (Note 3, page 80) (Face value per share - Rs.10)					
(a) Basic				19.25	42.82
(b) Diluted				18.13	37.89
17. Notes on the Balance Sheet and Profit and Loss Account	N	77			

As per our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS
Chartered Accountants

For N. M. RAIJI & CO.
Chartered Accountants

NALIN M. SHAH
Partner

J. M. GANDHI
Partner

Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder K. Alagh
Dr. M. S. Ananth
Arun Nath Maira
Eknath A. Kshirsagar
R. Mukundan
Kapil Mehan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director
Executive Director & CFO

Mumbai, 28th May, 2009.

Rajiv Chandan
Company Secretary & Head Legal

Tata Chemicals Limited
Cash Flow Statement for the year ended 31st March, 2009

	Rupees in crores 2008-09	Rupees in crores 2007-08
A Cash Flow from Operating Activities		
Net Profit before Tax	660.27	1,157.10
Adjustments for :		
Foreign Exchange (Gain) / Loss	265.19	(35.69)
Employee Separation Compensation amortisation	0.53	3.40
Depreciation and amortisation	163.03	148.76
Reversal of Impairment	(31.84)	—
Borrowing Costs	191.23	38.02
(Profit) / Loss on sale of investments (net)	22.54	(496.93)
Investment income	(116.99)	(114.27)
Provision for doubtful debts and advances	1.76	0.09
Provision for employee benefits	15.94	7.83
Provision for diminution in value of current investments	55.86	—
Loss on assets sold or discarded	4.57	3.23
Operating Profit before Working Capital Changes	1,232.09	711.54
Adjustments for :		
Trade and other receivables	(198.53)	(196.42)
Bonds received in settlement of subsidy receivable	(502.79)	—
Inventories	(312.16)	(151.16)
Trade payables, other liabilities and provisions	621.99	338.77
Payment towards employee separation compensation	(0.66)	(1.19)
Cash Generated from Operations	839.94	701.54
Taxes paid	(264.17)	(241.65)
Net Cash generated from Operating Activities	575.77	459.89
B Cash Flow from Investing Activities		
Acquisition of fixed assets	(467.62)	(150.26)
Proceeds on sale of fixed assets	0.69	0.42
Proceeds on sale of investments	5,777.84	14,401.11
Purchase of investments	(5,807.17)	(13,563.90)
Investment in subsidiaries	(274.30)	(2,745.30)
Investment in Joint Venture	(4.31)	(5.00)
Loan to subsidiary (given) / repaid	(51.65)	167.40
Interest received	17.22	13.54
Dividend received	80.12	85.01
Net Cash used in Investing Activities	(729.18)	(1,796.98)

Cash Flow Statement for the year ended 31st March, 2009 (Contd.)

	Rupees in crores 2008-09	Rupees in crores 2007-08
C Cash Flow from Financing Activities		
Repayment of borrowings	(695.93)	(258.42)
Proceeds of borrowings	1,604.37	2,006.05
Interest paid	(175.31)	(42.21)
Foreign exchange loss realised	1.30	(5.17)
Dividends paid including distribution tax	(246.52)	(200.96)
Net Cash generated from Financing Activities	487.91	1,499.29
Net Increase in Cash and Cash equivalents	334.50	162.20
Cash and Cash equivalents as at 1st April	277.63	94.48
(Opening Balance)		
Exchange difference on translation of foreign currency cash and cash equivalents	26.62	2.03
Cash and Cash equivalents as at 31st March as per Schedule I	638.75	277.63
(Closing Balance)		

Notes :

1. During the year, Foreign Currency Convertible Bonds of Rs. 26.25 crores (previous year Rs. 395.18 crores) were converted into shares. Accordingly, shares of the face value of Rs.1.18 crores (previous year Rs. 18.90 crores) were issued at a premium of Rs. 25.07 crores (previous year Rs. 376.28 crores).
2. Investment in Fertiliser bonds is shown as cash flow from operating activities since these are received by the Company in settlement of subsidy receivable, being operating activity.

As per our report attached		For and on behalf of the Board	
For DELOITTE HASKINS & SELLS <i>Chartered Accountants</i>	For N. M. RAIJI & CO. <i>Chartered Accountants</i>	Ratan N. Tata R. Gopalakrishnan Nusli N. Wadia Prasad R. Menon Nasser Munjee Dr. Yoginder K. Alagh Dr. M. S. Ananth Arun Nath Maira Eknath A. Kshirsagar R. Mukundan Kapil Mehan P. K. Ghose	<i>Chairman</i> <i>Vice-Chairman</i> <i>Directors</i> <i>Managing Director</i> <i>Executive Director</i> <i>Executive Director & CFO</i>
NALIN M. SHAH <i>Partner</i>	J. M. GANDHI <i>Partner</i>		
Mumbai, 28th May, 2009.	Rajiv Chandan <i>Company Secretary & Head Legal</i>		

Tata Chemicals Limited
Schedules forming part of the Profit and Loss Account
Schedule 1 : Sales and Operating Income

	Rupees in crores	Previous Year Rupees in crores
1. Sales and services: (Item No.1, page 61)		
(a) Sales	8,536.74	4,201.17
(Note 25, page 93)		
(b) Processing charges	0.47	5.96
(Tax deducted at source Rs. 0.01 crore ; previous year Rs.0.14 crore)		
	8,537.21	4,207.13
2. Operating income: (Item No.2, page 61)		
(a) Town income	1.41	1.44
(Tax deducted at source Rs 0.01 crore ; previous year Rs. 0.01 crore)		
(b) Liabilities no longer required - written back	20.57	18.24
(c) Insurance claims	0.22	4.81
(d) Miscellaneous income	14.74	14.83
(Tax deducted at source Rs.0.15 crore ; previous year Rs.0.09 crore)		
	36.94	39.32

Schedule 2 : Other Income

(Item No.3, page 61)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Income from Long Term Trade Investments (Gross):			
(a) Dividend income	62.38		37.62
(Tax deducted at source Rs.2.37 crores ; previous year Rs.Nil)			
(b) Profit on sale of investments	0.81		487.47
		63.19	525.09
2. Income from Current Investments :			
(a) Dividend income	17.74		47.39
(b) Interest Income	14.26		3.55
(Tax deducted at source Rs. NIL ; previous year Rs.Nil)			
		32.00	50.94
3. Interest on Refund of Taxes		0.23	—
4. Interest received on: (Tax deducted at source Rs. 0.72 crore ; previous year Rs. 0.02 crore)			
(a) Inter-corporate loans and bank deposits	4.84		1.67
(b) Loans to Subsidiary	16.67		23.48
(c) Other Advances	1.10		0.56
		22.61	25.71
		118.03	601.74

Schedules forming part of the Profit and Loss Account (Contd.)

Schedule 3 : Manufacturing and Other Expenses

(Item No.6, page 61)

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1. Raw materials consumed:			
(a) Stock on 1st April, 2008	313.44		196.80
(b) Add : Purchases and cost of materials	3,671.48		1,766.41
	3,984.92		1,963.21
(c) Less : Stock on 31st March, 2009	510.76		313.44
		3,474.16	1,649.77
2. Cost of traded goods purchased		2,055.07	304.35
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	148.04		132.53
(b) Contribution to Provident and other Funds	10.29		13.26
(c) Contribution to group insurance scheme	0.03		0.04
(d) Workmen and staff welfare expenditure	37.45		23.90
		195.81	169.73
4. Operation and other expenses:			
(a) Stores and spare parts consumed	67.62		54.03
(b) Packing materials consumed	151.09		123.36
(c) Power and fuel	607.43		479.66
(d) Repairs - Buildings	6.55		3.90
- Machinery	48.56		38.74
- Others	1.69		0.98
(e) Rent	19.68		21.73
(f) Rates and taxes	10.45		11.93
(g) Excise duty adjustment for stocks	(0.65)		(0.37)
(h) Commission, discount and distributors' service charges	69.80		50.55
(i) Sales promotion expenses	54.44		46.86
(j) Insurance charges	7.67		10.11
(k) Freight and forwarding charges	333.27		274.80
(l) Lease rent	0.66		3.02
(m) Loss on assets sold or discarded (net)	4.57		3.23
(n) Provision for Doubtful debts and advances	1.76		0.09
(o) Provision for diminution in value of investments	55.86		—
(including Rs. 54.66 crores (previous year Rs. Nil) in respect of fertiliser bonds received in lieu of fertiliser subsidy)			
(p) Loss on Sale of Investments (net)	23.35		9.46
(including Rs. 23.37 crores (previous year Rs. 9.19 crores) in respect of fertiliser bonds received in lieu of fertiliser subsidy) ...			
(q) Other expenses	346.85		97.97
	1,810.65		1,230.05
Less: Expenditure transferred to capital account	2.26		0.14
		1,808.39	1,229.91
5. Directors' fees / commission		4.24	3.68
		7,537.67	3,357.44
6. Change in inventory of work-in-process and finished goods			
(a) Stock on 1st April, 2008	252.45		226.74
(b) Less : Stock on 31st March, 2009	347.99		252.45
		(95.54)	(25.71)
		7,442.13	3,331.73

Tata Chemicals Limited
Schedules forming part of the Profit and Loss Account (Contd.)
Schedule 4 : Borrowing Costs

(Item No.8, page 61)

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1 Interest paid on:			
(a) Debentures and fixed loans	131.97		8.24
(b) Other loans	13.27		11.66
(c) Others	—		0.60
		145.24	20.50
2 Discounting & Other charges		45.99	17.52
Borrowing Costs (1 + 2)		191.23	38.02

Schedule 5 :
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)		660.27	1,157.10
Add / (Less) :			
2. Directors' remuneration, commission and fees *	6.36		4.52
3. Reversal of Impairment	(31.84)		—
4. Provision for Directors' retirement obligation	12.61		—
5. Provision for doubtful debts and advances	1.76		0.09
6. (Profit)/Loss on sale of investments (net)	22.54		(478.01)
7. Provision for diminution in the carrying value of current investments	55.86		—
		67.29	(473.40)
8. Net Profit in accordance with Section 349 of the Companies Act, 1956		727.56	683.70
9. Maximum amount permissible for the Managing Director and Whole-time Directors under Section 309 of the Companies Act, 1956 .		72.76	34.18
10. Commission to the Managing Director and Whole-time Directors		1.50	1.20
11. Commission to non Whole-time Directors (maximum permissible 1%)		7.28	6.84
12. Commission to non Whole-time Directors		2.50	2.40

* includes Rs. 0.80 crore paid to the newly appointed Managing Director and Executive Directors subject to approval of the shareholders at the ensuing Annual General Meeting.

Schedules forming part of the Profit and Loss Account (Contd.)

Notes on the Profit and Loss Account

1. Item 4(q) of Schedule 3

Other expenses Rs. 345.85 crores (previous year Rs. 97.97 crores) includes :

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
(a) Exchange (gain)/loss on foreign currency transactions (net)		174.17	(34.28)
(b) Auditors' Remuneration			
(i) For Services as Auditors [includes Rs 0.03 crore to Cost Auditors (previous year Rs.0.02 crore)]	1.38		1.37
(ii) For tax matters	0.23		0.18
(iii) For other services [includes Rs. 0.01 crore to Cost Auditors (previous year Rs. Nil)]	0.51		0.34
(iv) Reimbursement of travelling and out-of-pocket expenses	0.02		0.02
(v) Service Tax [includes Rs. 0.01 crore to Cost Auditors (previous year Rs. *)]	0.29		0.23
		2.43	2.14
(c) Donations		1.57	2.38

2. Items 3,4 and 5 of Schedule 3

Payments to and provisions for employees, operation and other expenses and Directors' fees / commission includes remuneration to the Managing Director and Whole-time Directors

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
(a) Remuneration (including Company's contribution to provident fund and superannuation fund)		1.75	0.61
(b) Provision for post retirement obligation		12.61	3.40
(c) Commission		1.50	1.20
(for computation see Schedule 5, page 66)			
(d) Estimated value of benefits in cash or in kind		0.37	0.23
		16.23	5.44

Notes :

- i. The above figures do not include provision for compensated absences and contribution to gratuity fund, as separate figures are not available for the Managing Director and Whole-time Directors.
- ii. The above figures include Rs. 0.80 crore paid to the newly appointed Managing Director and Executive Directors subject to approval of the shareholders at the ensuing Annual General Meeting.

3. Items 3 and 4 of Schedule 3 includes :

Expenditure incurred on Scientific Research & Development activities at Innovation Centre @

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
(a) Payment to and Provision for employees	5.21		—
(b) Consumables	1.56		—
(c) Other expenses	4.80		—
		11.57	—

@ Note :

The above figures are as certified by the Management and accepted by the Auditors.

Tata Chemicals Limited
Schedules forming part of the Balance Sheet

	Rupees in crores	As at 31-Mar-08 Rupees in crores
Schedule A : Share Capital		
(Item No.1(a), page 60)		
1. Authorised:		
27,00,00,000 Ordinary Shares of Rs.10 each	270.00	270.00
(31 March, 08 27,00,00,000 Ordinary Shares of Rs.10 each)	270.00	270.00
2. Issued:		
23,52,55,686 Ordinary Shares of Rs.10 each	235.26	234.08
(31 March, 08 23,40,80,176 Ordinary Shares of Rs.10 each)	235.26	234.08
3. Subscribed and paid up:		
23,51,69,366 Ordinary Shares of Rs.10 each fully paid up	235.17	234.00
(31 March, 08 23,39,93,856 Ordinary Shares of Rs.10 each)		
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 Securities 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 Tata Fertilisers Ltd., pursuant to the Scheme of Amalgamation.		
(iv) 3,44,64,000 Ordinary Shares of Rs. 10 each issued as fully paid-up to the Shareholders of Hind Lever Chemicals Limited as per the Scheme of Amalgamation		
4. Forfeited Shares:		
Amount paid-up on 86,320 shares	0.06	0.06
	235.23	234.06

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
Schedule B : Reserves and Surplus			
(Item No.1(b), page 60)			
1. Capital reserve:			
Balance as per last account		0.66	0.66
2. Capital redemption reserve:			
Balance as per last account		0.10	0.10
3. Surplus on amalgamation:			
Balance as per last account		20.75	20.75
4. Securities premium:			
(a) Balance as per last account	652.41		181.89
Add (Less) :			
(b) Premium on conversion of FCCBs (Note 8(b), page 86)	25.06		376.29
(c) Reversal of provision of redemption premium on conversion of FCCBs	5.21		90.72
(d) Revaluation of redemption premium on outstanding FCCBs (Note 8(c), page 87)	(9.72)		3.51
(e) Debenture issue expenses	(0.63)		—
		672.33	652.41
5. Foreign currency translation reserve:			
Balance as per last account	(31.68)		(19.07)
Add : Net adjustment during the year	69.68		(12.61)
		38.00	(31.68)
6. General reserve:			
(a) Balance as per last account	875.82		780.82
(b) Add : Transferred from Profit and Loss Account	45.21		95.00
(c) Add : Transferred from Debenture Redemption Reserve	5.46		—
(d) Less : Foreign Currency Monetary Item Translation Difference	7.58		—
(Note 26, page 93)		918.91	875.82
7. Debenture redemption reserve:			
Balance as per last account	245.46		245.46
Less : Transferred to General Reserve	5.46		—
		240.00	245.46
8. Balance in Profit and Loss Account			
		1,733.32	1,574.10
		3,624.07	3,337.62

Schedules forming part of the Balance Sheet (Contd.)

	Rupees in crores	As at 31-Mar-08 Rupees in crores
Schedule C : Loans Funds - Secured		
(Item No.2(a), page 60)		
Loans :		
1 From Banks : Cash Credits	1.96	27.70
2 From Financial Institution : Term Loan	7.52	20.27
3 Debentures	240.00	—
	249.48	47.97
Notes :		
(a) Loans from Banks on Cash Credit Accounts under item 1 are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.		
(b) Item 2 represents interest - free loan under Sales Tax Deferment Scheme from Pradeshiya Industrial and Investment Corporation of Uttar Pradesh, which is secured by second charge on the Company's properties at Babrala. Amount repayable within one year Rs. 7.52 crores(31 March, 08 Rs. 12.75 crores).		
(c) 11.80% Secured Redeemable Non-Convertible Debentures face value Rs.10 lakhs each redeemable at par on 18 December, 2013, secured by pari passu charge on the Company's properties at Babrala.		

Schedule D : Loans Funds - Unsecured

(Item No.2(b), page 60)

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
Short-term loans and advances :			
(a) From Banks :			
Buyer's credits (Repayable within one year)	749.58		89.96
Other loans and advances :			
(Repayable within one year Rs. 222.69 crores, 31 March, 08 Rs. Nil)			
(a) From Banks :			
External Commercial Borrowing	2,355.48		1,905.93
(b) From others :			
Foreign Currency Convertible Bonds - FCCBs (Note 8 (a), page 86)	222.69		201.11
6.44% Senior Notes due in 2017	98.87		98.87
		321.56	299.98
		3,426.62	2,295.87

Tata Chemicals Limited

Schedules forming part of the Balance Sheet (Contd.)

Schedule E : Fixed Assets
(Item No.5, page 60)

	Gross Block		Depreciation/Amortisation			Net Block		
	as at 1-Apr-08	Additions during the year	Deductions/ Adjustments	as at 1-Apr-08	For the year Note 3	Deductions Adjustments	as at 31-Mar-09	as at 31-Mar-08
Fixed Assets (At Cost)								
1. Land :								
(a) Freehold	13.32	2.24	-	-	-	-	15.56	13.16
	8.24	5.08	-	-	-	-	13.16	8.08
(b) Leasehold	15.02	-	-	2.96	0.16	-	11.90	12.06
	15.02	-	-	2.80	0.16	-	12.06	12.22
2. Works :								
(a) Saltworks, Reservoirs and Pans	38.05	-	-	31.36	1.57	-	5.12	6.69
	35.12	2.93	-	27.72	3.65	0.01	6.69	7.40
(b) Plant and Machinery	2,734.30	272.80	23.00	1,632.27	142.18	17.53	1,159.07	1,005.67
	2,679.45	63.94	9.09	1,511.80	127.50	7.03	1,005.67	1,071.29
(c) Traction Lines, Railways Sidings and Wagons	21.91	13.63	-	15.67	0.91	-	18.84	5.96
	21.91	-	-	14.83	0.83	-	5.97	6.80
(d) Buildings	214.01	26.83	0.03	71.39	7.00	-	157.90	133.77
	212.71	1.56	0.26	64.97	6.62	0.20	133.77	138.89
3. Other Buildings #	172.68	5.29	-	35.81	3.67	-	138.49	136.87
	167.13	6.54	0.99	33.31	2.89	0.39	136.87	133.82
4. Water Works	7.83	-	-	6.79	0.11	-	0.93	1.04
	7.83	-	-	6.67	0.12	-	1.04	1.16
5. Furniture, Fitting and Office Equipment	56.86	14.11	0.62	33.23	6.28	0.35	31.11	23.53
	53.37	6.53	3.04	30.75	5.04	2.56	23.53	22.52
6. Vehicles	17.46	3.72	3.42	12.90	1.54	2.84	6.06	4.45
	18.57	1.51	2.62	13.12	1.95	2.17	4.45	5.34
Total	3,291.44	338.62	27.07	1,842.38	163.42	20.72	1,544.98	1,343.20
	3,219.35	88.09	16.00	1,705.97	148.76	12.35	1,343.20	1,058.6

NOTES :

- # Includes cost of residential flats aggregating Rs. 1.87 crores (previous year Rs. 1.87 crores) for which legal formalities relating to transfer of title are pending.
- Additions include Rs. 1.87 crores in respect of Scientific Research and Development Activities pertaining to Innovation Centre, as certified by the Management and accepted by the Auditors.
- Depreciation for the year includes Rs. 0.39 crore (previous year Nil) capitalised to "Capital Work in Progress".
- The figures in light print are for the previous year.

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments (Item No.6, page 60)	Face Value Rupees	Holdings As at 31-Mar-09	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-08	Rupees in crores
A LONG TERM INVESTMENTS						
Trade Investments :						
1. Fully paid Ordinary/Equity Shares (Quoted):						
The Indian Hotels Co. Ltd. (12,62,026 shares allotted during the year)	1	7,271,666	9.82		6,009,640	0.99
Madras Fertilisers Ltd.	10	330,000	0.49		330,000	0.49
Oriental Hotels Ltd.	10	432,328	4.79		432,328	4.79
Rallis India Ltd.	10	1,126,518	19.06		1,126,518	19.06
Tata Consultancy Services Ltd.	1	50,000	*		50,000	*
Tata Investment Corporation Ltd.	10	297,400	0.58		297,400	0.58
Tata Steel Ltd.	10	3,762,262	69.85		3,762,262	69.85
Tata Motors Ltd. (1,00,534 shares allotted during the year)	10	703,741	14.89		603,207	11.47
Tata Motors Ltd. ('A' Ordinary) (1,00,534 shares allotted during the year)	10	100,534	3.07		-	-
Tata Tea Ltd.	10	4,317,514	16.09		4,317,514	16.09
Titan Industries Ltd.	10	1,502,109	22.39		1,502,109	22.39
				161.03		145.71
2. Investment in Overseas Subsidiary Companies: Fully paid Ordinary/Equity Shares (Unquoted):						
Homefield International Pvt. Ltd.	MUR 1	90,016,001	408.76		90,016,001	408.76
Bio Energy Ventures -1 (Mauritius) Pvt Ltd.	USD 1	10,161,000	49.97		-	-
Wyoming 1 (Mauritius) Pvt. Ltd. (4,44,80,000 shares purchased during the year)	USD 1	719,480,000	2,969.63		675,000,000	2,745.30
Tata Chemicals Asia Pacific Pte. Ltd. ...	SGD 1	2	*		2	*
				3,428.36		3,154.06
3. Investment in Joint Ventures : Fully paid Ordinary/Equity Shares (Unquoted):						
Khet-Se Agriproduce India Pvt Ltd. (4,31,36,146 shares subscribed during the year)	1	93,136,146	9.31		50,000,000	5.00
Indo Maroc Phosphore, S.A., Morocco ...	MAD 1,000	206,666	166.26		206,666	166.26
Lake Natron Resources Ltd., Tanzania	TZS 1,000	500	*		500	*
				175.57		171.26
4. Fully paid Ordinary/Equity Shares (Unquoted) in Others:						
The Associated Building Co.Ltd.	900	550	0.02		550	0.02
Taj Air Ltd.	10	4,000,000	4.00		4,000,000	4.00
Tata Industries Ltd.	100	6,574,202	79.79		6,574,202	79.79
Tata International Ltd.	1,000	24,000	3.34		24,000	3.34
Tata Projects Ltd. (1,61,250 Bonus shares allotted during the year)	100	193,500	0.38		32,250	0.38

Tata Chemicals Limited
Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments (Item No.6, page 60)	Face Value Rupees	Holdings As at 31-Mar-09	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-08	Rupees in crores
Tata Services Ltd.	1,000	1,260	0.13		1,260	0.13
Tata Sons Ltd.	1,000	10,237	56.86		10,237	56.86
Tata Teleservices Ltd. # (Capital Reduction made @ 2:1 and ... 1,00,236 shares sold during the year)	10	1,206,545	2.70		2,613,561	2.93
				147.22		147.45
5. Fully paid redeemable Preference Shares (Unquoted) in Others:						
7.5% Rallis India Ltd.	10	29,000,000	29.00		29,000,000	29.00
7% Tata Sons Ltd.	1,000	200,000	20.00		200,000	20.00
				49.00		49.00
6. Fully paid Preference Shares (Quoted) in Others:						
Tata Steel Ltd. (Cumulative Compulsorily Redeemable Preference Shares)		2,938,290	29.38		2,938,290	29.38
				29.38		29.38
LONG TERM INVESTMENTS				3,990.56		3,696.86
Less: Provision for diminution in value of investments				0.25		0.25
LONG TERM INVESTMENTS (net)				3,990.31		3,696.61
B CURRENT INVESTMENTS						
1. Quoted Equity Shares, Fully Paid :						
Compuage Infocom Ltd.	10	4,056		*	9,756	*
(Reduction of paid-up equity share capital from 9,756)						
2. Unquoted Equity Shares, Fully Paid :						
IFCI Venture Capital Funds Ltd.	10	250,000	0.25		250,000	0.25
Kowa Spinning Ltd.	10	60,000	*		60,000	*
				0.25		0.25
3. Quoted Bonds/units :						
Sardar Sarovar Narmada Nigam Bonds (74 Bonds sold during the year)		-		-	74	0.40
7% Fert. Cos' GOI SPL Bond 2022	10,000	95,659	95.66		-	-
(6,11,930 Bonds allotted and 5,16,271 sold during the year)						
6.20% Fert. Cos' GOI SPL Bond 2022 ..	10,000	123,471	123.47		-	-
(1,23,471 Bonds allotted during the year)						
6.65% Fert. Cos' GOI SPL Bond 2023 ..	10,000	283,658	283.66		-	-
(2,83,658 Bonds allotted during the year)						
				502.79		-
Less: Provision for diminution in value of investments				54.66		-
						-
Unit Trust of India						
6.75% Tax free US 64 bonds		-	-		904,705	9.09
6.6% Tax free - UTI Bonds	100	1,390,000	14.46		1,390,000	14.46
						-
				14.46		23.55
4. Unquoted Bonds/ Units:						
Zero Coupon Convertible Bonds						
Tata Investment Corporation Ltd. - Part A (Convertible to Equity @ Rs.300/-)	10	59,480	1.79		-	-

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments (Item No.6, page 60)	Face Value Rupees	Holdings As at 31-Mar-09	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-08	Rupees in crores
Tata Investment Corporation Ltd. - Part B (Convertible to Equity @ Rs.350/-)	10	59,480	2.08		-	-
Tata Investment Corporation Ltd. - Warrant	10	59,480	-		-	-
				3.87		-
In Unit Trust of India						
- Mastershare	10	96,100	0.09		96,100	0.09
UTI Balanced Fund	10	35,806	0.03		35,806	0.03
				0.12		0.12
5. In units of Mutual Funds (Unquoted) :						
Franklin India Bluechip - Dividend Payout	10	-	-		301,917	1.10
(301,917 units switched during the year)						
Franklin India Bluechip - Dividend Reinvestment	10	755,862	2.61		356,155	1.30
(97,790.05 units purchased during the year)						
ICICI Prudential FMP - S 39 - 16 Weeks - Plan A Retail Div Payout	10	-	-		10,000,000	10.00
(10,000,000 units sold during the year)						
ICICI Prudential Short Term Plan -DR Fortnightly	10	4,181,530	5.06		-	-
(41,81,530 units purchased during the year)						
Tata Liquid Fund - SHIP - Daily Dividend	1,000	-	-		44,871	5.00
(33,167,304.08 units purchased and 33,212,175.29 units sold during the year)						
Tata FIP Fund - Series C2 - IP - Monthly Div.	10	-	-		3,058,114	3.07
(16,448.54 units purchased and 30,74,562.46 units sold during the year)						
Tata Short Term Bond Fund - Dividend (82,69,869 units purchased during the year)	10	8,269,869	10.12		-	-
				17.79		20.47
Less: Provision for Diminution in value of investments			1.20			-
				16.59		20.47
CURRENT INVESTMENTS				483.42		44.79
TOTAL INVESTMENTS				4,473.73		3,741.40

Tata Chemicals Limited

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments

(Item No.6, page 60)

Aggregate of Quoted Investments (net of provision) **204.62** **570.82** 198.79 1,006.16

Aggregate of Unquoted Investments (net of provision) **4,269.11** 3,542.61

* value below Rs.50,000/-

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

Abbreviations for Currencies

Rs. : Indian Rupees

MUR : Mauritius Rupees

USD : United States Dollars

SGD : Singapore Dollars

MAD : Moroccan Dirhams

TZS : Tanzanian Shillings

Schedule G : Inventories

(Item No.8 (a), page 60)

1 Stores and spare parts, packing materials **111.05** 91.75

2 Stock-in-Trade :

(a) Raw materials **510.76** 313.44

(b) Work-in-process **25.81** 15.16

(c) Finished goods **322.18** 237.29

858.75 565.89

969.80 657.64

Schedule H : Sundry Debtors

(Item No.8 (b), page 60)

(unsecured)

1. Over six months old :

- Considered good **79.73** 216.44

- Considered doubtful **25.60** 25.76

105.33 242.20

2. Others :

- Considered good **922.00** 423.06

1,027.33 665.26

Less : Provision for doubtful debts **25.60** 25.76

1,001.73 639.50

[Including subsidy receivable of Rs.867.44 crores (31 March, 08 Rs. 473.06 crores)]

Schedules forming part of the Balance Sheet (Contd.)

	Rupees in crores	As at 31-Mar-08 Rupees in crores
Schedule I : Cash and Bank Balances		
(Item No.8 (c), page 60)		
1. Cash on hand	0.08	0.09
2. Balance with scheduled banks in		
(a) Current accounts	510.44	175.81
(including cheques on hand Rs. 7.87 crores; 31 March, 08 Rs. 8.55 crores)		
(b) Deposit accounts	128.23	101.73
	638.75	277.63

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
Schedule J : Loans and Advances			
(Item No.8 (d), page 60)			
(unsecured)			
1. Deposits with Government, public bodies and others :			
(a) Balances with Customs, Port Trusts, Excise etc.	28.16		19.36
(b) Others	6.81		4.53
2. Loans and advances to subsidiary	372.43		237.73
3. Advance payment of taxes (net of provision)	72.49		65.62
4. Interest accrued on Investments	7.68		1.28
5. Other advances \$			
- Considered good	181.74		358.40
- Considered doubtful	0.93		1.39
	182.67		359.79
Less: Provision for doubtful advances	0.93		1.39
	181.74		358.40
	669.31		686.92

\$ Other advances include loans:

To Officer of the Company Rs. 2,51,920 (previous year Rs.94,524) Maximum balance during the year Rs. 2,72,032 (31 March, 08 Rs. 1,11,468)

Tata Chemicals Limited
Schedules forming part of the Balance Sheet (Contd.)

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
Schedule K : Current Liabilities			
(Item No.9 (a), page 60)			
1. Acceptances		243.92	343.92
2. Sundry creditors			
(i) Dues of micro, small and medium enterprises (Note 15, page 89)		3.05	1.28
(ii) Dues of other creditors		1,500.41	566.68
3. Sundry deposits		32.79	29.88
4. Pension payable on Employee Separation Scheme (Note 14 (a), page 88) .		2.96	3.62
5. Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 (not due as on 31.03.2009 / 31.03.2008)			
(a) Unclaimed dividends	8.10		7.47
(b) Unclaimed debentures and interest	0.01		0.01
(c) Unclaimed fixed deposits and interest	—		*
		8.11	7.48
6. Interest accrued but not due on loans		19.41	3.49
7. Other liabilities		12.68	14.31
		1,823.33	970.66
Schedule L : Provisions			
(Item No.9 (b), page 60)			
1. Proposed dividend		211.65	211.25
2. Tax on dividend		35.97	35.90
3. Provision for premium on redemption of FCCBs		46.52	42.01
(Note No. 9(a), page 87)			
4. Provision for site restoration expenditure (Note No. 9(b), page 87)		12.57	12.57
5. Provision for employee benefits		66.00	50.06
		372.71	351.79
Schedule M : Miscellaneous Expenditure			
(Item No.11, page 60)			
(to the extent not written off or adjusted)			
Employee separation scheme		—	0.53
		—	0.53

Schedule N : Notes on the Balance Sheet and Profit and Loss Account

1 Significant Accounting Policies :

(a) Basis of Accounting

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

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on the Management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets

Fixed Assets are carried at cost less depreciation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset.

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

(d) Capital Work-in-Progress

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

(e) Foreign Currency Transactions

(i) Purchases and sales in foreign currencies are accounted at exchange rates prevailing on the date of transaction. Short term monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at the rates prevailing at the year end and the resultant net gains or losses are recognised as income or expense in the year in which they arise. The exchange difference on long term loans to non-integral foreign operations, are accumulated in a Foreign Currency Translation Reserve, until disposal / recovery of the net investment.

The exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31 March, 2008 and 2009 are being amortised over the shorter of the maturity period or 31st March, 2011. The unamortised balance is presented as "Foreign Currency Monetary item Translation Difference Account" net of tax effect thereon. [see Note 26, page 93]

(ii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contract. Forward exchange contracts outstanding at the Balance Sheet date are stated at fair value and any gains or losses are recognised in the Profit and Loss Account.

(f) Investments

Long term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value.

(g) Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

(h) Employee Separation Compensation

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

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

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(i) Sales

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

(j) Other Income

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

(k) Research and Development Expenses

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

(l) Depreciation

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

- (a) in respect of assets acquired prior to 31 March, 1987, in accordance with circular no. 1/86 dated 21 May, 1986 of the Department of Company Affairs;
- (b) in respect of assets acquired on or after 1st April, 1987, at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 as amended, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under :

Membrane Cells	4 years
Catalyst	4-6 years
Vehicles	4 years
Computers and data processing equipments	4 years
Mobile Phones	1 year
RO Water Plant	4 years
Railway wagon procured under Wagon Investment scheme	15 years

- (c) for the purpose of depreciation, impairment loss is taken into account.

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

(m) Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. An impairment loss recognised is reversed if there has been a change in the estimates of cash flows and discount rates used for determining the recoverable amount. The carrying amount is increased to the amount that would have been determined had no impairment loss been recognised in accordance with AS-28.

(n) Employee Benefits

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Fund, compensated absences, long service award, post retirement medical benefits and Directors' retirement obligations. Provident fund is considered as a defined benefit plan.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(i) Post-employment benefit plans

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

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

The Company makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

(ii) Short-term employee benefits

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

The cost of compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) in case of non - accumulating compensated absence when the absences occur.

(iii) Long-term employee benefits

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

(o) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date.

(p) Derivative Contracts

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

(q) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised.

(r) Segment Reporting

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

(s) Borrowing costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortised and charged to Profit and Loss Account, over the tenure of the loan.

(t) Debenture Issues Expenses

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

2 Segment Reporting :

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

3 Earnings per Share (EPS) :

		2008-09	2007-08
(a) Profit after tax	Rs. in crores	452.05	949.18
(b) The weighted average number of ordinary shares of Rs.10 each			
Total number of shares	Nos.	23,48,85,004	22,16,72,327
(c) Earning Per Share (Basic)	Rupees	19.25	42.82
(d) Profit after tax for Basic EPS	Rs. in crores	452.05	949.18
(e) Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gain/(loss) and tax)	Rs. in crores	(10.55)	(26.63)
(f) Profit after tax for Diluted EPS	Rs. in crores	441.50	922.55
(g) The weighted average number of ordinary shares for Basic EPS	Nos.	23,48,85,004	22,16,72,327
(h) Add: Adjustments for Foreign Currency Convertible Bonds	Nos.	85,88,794	2,18,01,474
(i) The weighted average number of ordinary shares for Diluted EPS	Nos.	24,34,73,798	24,34,73,801
(j) Earning Per Share (Diluted)	Rupees	18.13	37.89

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

4 Related Party Disclosure :

(a) Related Party and their relationship

Subsidiaries Direct	Joint Ventures Direct	Key Management Personnel
Homefield International Pvt. Limited, Mauritius	Indo Maroc Phosphore S. A., Morocco	Mr. R. Mukundan, Managing Director (w.e.f. 26 November, 2008 Executive Director)
Wyoming 1 (Mauritius) Pvt. Ltd., Mauritius	Lake Natron Resources Limited, Tanzania	(w.e.f. 15 December, 2008 Managing Director)
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd., Mauritius	Khet-Se Agri Produce India Pvt. Ltd., India	Mr. P. K. Ghose, Executive Director & CFO (w.e.f. 26 November, 2008)
Indirect	Indirect	
Homefield Pvt. UK Limited, UK	Kemax B.V., Netherlands	Mr. Kapil Mehan, Executive Director (w.e.f. 26 November, 2008)
Brunner Mond Group Limited, UK	Alcad, USA	Mr. Homi. R. Khusrokhhan, Managing Director (up to 14 December, 2008)
Brunner Mond (UK) Limited, UK	JOil (S) Pte. Ltd, Singapore	
Brunner Mond Limited, UK		
The Magadi Soda Company Limited, Kenya		
Brunner Mond (South Africa) Pty Limited, South Africa		
Northwich Resource Management Limited, UK		
Brunner Mond Generation Limited, UK		
Transcontinental Holdings Limited, UK		
Magadi Railway Company Limited, Kenya		
Brunner Mond B.V., Netherlands		
Wyoming 2 (Mauritius) Pvt. Ltd., Mauritius		
Gusiute Holdings (UK) Ltd., UK		
Valley Holdings Inc., USA		
General Chemical Industrial Products Inc., USA		
General Chemical International Inc., USA		
NHO Canada Holdings Inc., USA		
General Chemical (Soda Ash) Inc., USA		
Bayberry Management Corporation, Netherlands		
General Chemicals (Soda Ash) Partners LLC, USA		
General Chemical (Great Britain) Ltd., UK		
General Chemical Canada Holding Inc., Canada		
Tata Chemicals Asia Pacific Pte. Limited, Singapore		
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd, Mauritius		
Grown Energy Zambeze Holdings Pvt. Ltd, Mauritius		

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
(b) Transactions with the related parties

(Rs. in crores)

	Subsidiaries				Joint Ventures		Key Management Personnel	Total
	Homefield U.K. Pvt. Ltd.	Brunner Mond Group Limited	Wyoming 1 (Mauritius) Pvt. Limited., Mauritius	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Homefield International Pvt. Ltd., Mauritius	Indo Maroc Phosphore S.A., Morocco		
Interest Income	-	-	-	-	16.67	-	-	16.67
					23.48	-	-	23.48
Purchase of goods (includes stock in transit)	-	18.95	-	-	-	1,205.95	-	1,224.90
		25.42	-	-	-	203.63	-	229.05
Sale of goods	-	0.65	-	-	-	-	-	0.65
		-	-	-	-	-	-	-
Sale of Fixed Assets	-	1.64	-	-	-	-	-	1.64
		-	-	-	-	-	-	-
Investments (including advance towards subscription to equity shares)	-	-	224.33	49.97	-	-	4.31	278.61
			2,745.30	-	-	-	5.00	2,750.30
Loans given (including Interest capitalised)	-	-	-	-	134.79	-	-	134.79
					18.57	-	-	18.57
Amount Received (in respect of loans)	-	-	-	-	-	-	-	*
					170.66	-	-	170.66
Amount Received (in respect of interest receivable)	-	-	-	-	0.09	-	-	0.09
					8.39	-	-	8.39
Amount Payable (in respect of goods purchased)	-	2.65	-	-	-	179.81	-	182.46
					-	-	-	-
Interest receivable	-	-	-	-	4.18	-	-	4.18
					4.70	-	-	4.70
Amount receivable in respect of loans as on the Balance Sheet date	-	-	-	-	372.43	-	-	372.46
					237.73	-	-	237.73
Maximum amount outstanding during the year	-	-	-	-	372.43	-	-	372.46
					439.22	-	-	439.22
Dividend received	-	-	-	-	-	23.71	-	23.71
					-	-	-	-
Amounts receivable/ received on account of any Management Contracts including for deputation of employees	-	1.33	-	-	-	0.76	0.54	2.63
					-	0.47	0.54	1.01
Guarantees to third parties on behalf of subsidiaries	760.80	-	-	-	-	-	-	-
	601.88	-	-	-	-	-	-	-

In addition to the above, remuneration is paid to Key Management Personnel, under their contract of employment with the Company (Note 2, page 67).

The figures in light print are for previous year.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(c) Disclosure required by clause 32 of the Listing Agreement

Amount of Loans/advances in the nature of loans outstanding from subsidiaries during 2008-09

(Rs. in crores)

Name of the Subsidiary	Outstanding as of 31 March, 09	Maximum amount outstanding during the year	Investment in shares of subsidiaries of the Company (No. of shares)
Homefield International Pvt. Ltd., Mauritius	372.43	372.43	5,18,11,318
	237.73	439.22	5,18,11,318

The figures in light print are for previous year.

5 Deferred Taxes :

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

(Rs. in crores)

	As at 31-Mar-09	As at 31-Mar-08
Deferred Tax Assets :		
Provision for doubtful debts and advances	9.14	8.54
Provision for employee benefits	11.89	12.55
Exchange Difference	168.60	-
Other timing differences	4.41	4.00
	194.04	25.09
Deferred Tax Liability :		
Depreciation	284.29	290.55
Borrowing Costs	12.29	12.29
Other timing differences	0.48	0.48
	297.06	303.32
Net deferred tax liability	(103.02)	(278.23)

6 Employee Benefit Obligations :

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

On account of Defined Contribution Plans, a sum of Rs. 5.63 crores (previous year Rs. 6.28 crores) has been charged to the Profit and Loss Account. On account of Provident Fund contribution, a sum of Rs. 4.50 crores (previous year Rs. 4.40 crores) has been charged to Profit and Loss Account.

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

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

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31 March, 2009. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31 March, 2009 for the Defined Benefits Plans other than Provident Fund. According to the Management, in consultation with the actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in the absence of guidance from the Actuarial Society of India.

(Rs. in crores)

	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Gratuity	Post retirement medical benefits	Directors' retirement obligations
	As at 31-Mar-09	As at 31-Mar-09	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-08	As at 31-Mar-08
(i) Changes in the defined benefit obligation:						
Projected defined benefit obligation, beginning of the year	47.49	7.31	3.40	45.34	5.88	-
Current service cost	2.56	0.24	0.41	2.38	0.23	-
Interest cost	3.88	0.60	0.30	3.77	0.49	-
Actuarial (gain) / loss	(2.05)	3.39	12.02	(1.60)	1.04	-
Benefits paid	(2.24)	(0.21)	(0.11)	(2.40)	(0.33)	-
Projected defined benefit obligation, end of the year	49.64	11.33	16.02	47.49	7.31	3.40
(ii) Changes in the fair value of plan assets:						
Fair value of plan assets, beginning of the year	46.83	-	-	43.06	-	-
Expected return on plan assets	3.90	-	-	3.23	-	-
Employer's contributions	0.62	0.21	0.11	0.54	0.33	-
Actuarial gain / (loss)	1.76	-	-	2.39	-	-
Benefits paid	(2.24)	(0.21)	(0.11)	(2.40)	(0.33)	-
Fair value of plan assets, end of the year	50.87	-	-	46.82	-	-
Liability (net)	(1.23)	11.33	16.02	0.67	7.31	3.40

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

(Rs. in crores)

	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Gratuity	Post retirement medical benefits	Directors' retirement obligations
	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-08	31-Mar-08	31-Mar-08
Current service cost	2.56	0.24	0.41	2.38	0.23	-
Interest defined benefit obligation	3.88	0.60	0.30	3.77	0.49	-
Expected return on plan assets	(3.90)	-	-	(3.23)	-	-
Net actuarial (gain) / loss recognised in the year	(3.81)	3.39	12.02	(3.99)	1.04	-
Past service cost	-	-	-	-	-	-
Net benefit expense	(1.27)	4.23	12.73	(1.07)	1.76	-
Expected Employer's contribution next year	1.50	0.28	0.43	1.50	0.23	0.15
Actual Return on Plan Assets	5.66	-	-	5.62	-	-

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(iv) Categories of plan assets as a percentage of the fair value of total plan assets :

	Gratuity		Gratuity	
	31-Mar-09	31-Mar-09	31-Mar-08	31-Mar-08
	Rs. in crores	%	Rs. in crores	%
Government of India Securities	26.82	53	25.10	53
Corporate Bonds	6.57	13	4.80	10
Special Deposit Scheme	11.61	23	11.61	25
Equity Shares of Listed Companies	0.04	0	0.25	1
Insurer Managed Funds	4.73	9	4.04	9
Others	1.09	2	1.02	2
Total	50.86	100	46.82	100

(v) Assumptions used in accounting for gratuity & compensated absences, long service awards, post retirement medical benefits and Directors' retirement obligations :

(Rs. in crores)

	Gratuity & Compensated absences	Long Service Awards	Post retirement medical benefits	Directors' retirement obligations
	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09
Discount rate	7.61% 8.02%	7.61% 8.02%	7.61% 8.02%	7.61% 8.02%
Expected rate of return on plan assets	8.50% 8.50%	NA NA	NA NA	NA NA
Increase in Compensation cost	5% for first year, 7.5% for second year, 10% for third year and & 7.5% p.a. thereafter 10% p.a. for first 3 years & 7.5% p.a. thereafter	5% for first year, 7.5% for second year, 10% for third year and & 7.5% p.a. thereafter 10% p.a. for first 3 years & 7.5% p.a. thereafter	NA NA	5% for first year, 7.5% for second year, 10% for third year and & 7.5% p.a. thereafter 10% p.a. for first 3 years & 7.5% p.a. thereafter
Increase in cost of award	NA NA	6.00% 6.00%	NA NA	NA NA
Healthcare cost increase rate	NA NA	NA NA	6.00% 6.00%	NA NA
Pension increase rate	NA NA	NA NA	NA NA	5.00% 5.00%

- Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.
- The figure in light print are for previous year.

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
(vi) Effect of Change in Assumed Health Care Cost Trend Rate

(Rs. in crores)

	2008-09		2007-08	
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	0.27	(0.26)	0.22	(0.11)
Effect on defined benefit obligation	2.46	(1.87)	1.47	(1.14)

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

- 7 The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures are given below :

(Rs. in crores)

PARTICULARS	Khet-se Agri produce India Pvt. Ltd.		Indo Maroc Phosphore S.A.		Lake Natron Resources Limited		Total	
	India	Morocco	Tanzania	Total	2008-09	2007-08	2008-09	2007-08
Country of Incorporation	India	Morocco	Tanzania					
Percentage of ownership interest	50%	33.33%	50%					
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
LIABILITIES								
Loan Funds	-	-	23.31	1.07	-	-	23.31	1.07
Current Liabilities	1.95	1.48	99.25	147.19	-	-	101.20	148.67
ASSETS								
Fixed Asset-Net Block	5.08	2.92	82.83	104.29	-	-	87.91	107.21
Current Assets	0.57	0.44	212.48	207.23	*	*	213.05	207.67
INCOME								
Sales and Operating income	1.85	0.16	799.28	293.51	-	-	801.13	293.67
Other Incomes	0.11	-	3.46	-	-	-	3.57	-
EXPENDITURE								
Manufacturing and other expenses	5.33	1.94	724.74	211.77	-	-	730.07	213.71
Interest expense (net)	*	*	0.13	2.68	-	-	0.13	2.68
Depreciation	0.42	0.01	30.60	28.72	-	-	31.02	28.73
Provision for Tax	0.03	0.01	11.15	9.33	-	-	11.18	9.34
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(3.82)	(1.79)	36.12	41.01	-	-	32.30	39.22
CONTINGENT LIABILITIES	0.08	0.08	-	-	-	-	0.08	0.08
CAPITAL COMMITMENTS	-	1.89	1.31	-	-	-	1.31	1.89

- 8 (a) During the year 2004-05, the Company had issued Foreign Currency Convertible Bonds (FCCBs) of a face value of USD 1,000 each aggregating to USD 150 million. As per the terms of the issue, the holders have an option to convert the FCCB into Ordinary Shares at a conversion rate of Rs. 231.375 per Ordinary Share at a fixed exchange rate conversion of Rs. 43.65 = USD 1, from 13 March, 2005 to 22 January, 2010. The conversion price is subject to certain adjustments for Corporate actions and consequently the conversion price has changed to Rs.230.78 per ordinary share. Further, under certain conditions the Company has an option of early redemption in whole but not in part. Unless previously converted, redeemed or purchased and cancelled, the Company will redeem these bonds at 120.89 per cent of the principal amount on 1 February, 2010.
- (b) During the year 2008-09, the Company got notices for conversion of USD 6.215 million (previous year USD 99.879 million) FCCBs into ordinary shares at a conversion price of Rs.230.78 per ordinary share at a fixed exchange rate of Rs.43.65 = USD1. Pursuant to this, the Company has issued 11,75,510 (previous year 1,88,91,205) Ordinary share of Face Value Rs.10.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

- (c) Exchange loss of Rs 9.72 crores (previous year exchange gain Rs 3.51 crores) on account of year end translation of liability denominated in foreign currency, relating to premium on redemption of FCCBs has been debited to the Securities Premium Account.

9 Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2009 :

- (a) Provision for premium on redemption of Foreign Currency Convertible Bonds (FCCBs) :

(Rs. in crores)

	As at 31-Mar-09	As at 31-Mar-08
Opening Balance	42.01	136.25
Less :- Reversal of Provision for Premium on Redemption of FCCB on conversion of FCCBs	(5.21)	(90.72)
Exchange difference	9.72	(3.52)
Closing Balance	46.52	42.01

Premium payable on redemption of FCCBs issued has been fully provided and debited to Securities Premium Account.

- (b) Provision for site restoration expenditure :

(Rs. in crores)

	As at 31-Mar-09	As at 31-Mar-08
Opening Balance	12.57	12.57
Add : Provision during the year	-	-
Less : Payments / Reversal during the year	-	-
Closing Balance	12.57	12.57

10 Derivative Instruments :

- (a) As on 31st March, 2009, the Company has the following derivative instruments outstanding:

- (i) Forward currency exchange contracts USD-INR amounting to **USD 134.96 million** for the purpose of hedging its exposures to foreign currency loans (previous year USD 22.42 million)
- (ii) Forward currency exchange contracts USD- INR amounting to **USD 40.90 million** for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 54.36 million)
- (iii) Accounts payable **USD 80.13 million** (previous year USD Nil)
- (iv) Currency options contracts USD- INR amounting to **USD 65 million** with an intent to hedge its exposures to foreign currency loans (previous year USD 65 million). FCCBs outstanding as on 31 March, 09 is USD 43.906 million (previous year USD 50.12 million).
- (v) Full Currency Swap to hedge against fluctuations in exchange rates **USD 75 million** (previous year Notional principal USD 25 million)
- (vi) Cross Currency Swap to hedge against fluctuations in exchange rates and Interest rates **USD 475 million** (previous year Notional principal USD 475 million)

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

- (i) Export receivables **USD 1.05 million** (previous year USD 4.14 million)
- (ii) Foreign Currency Loans **USD 12.83 million** (previous year USD Nil)
- (iii) Loans and Advances **USD 73.43 million** (previous year USD 59.24 million)
- (iv) Acceptances **USD 7.19 million** (previous year USD 31.35 million)
- (v) Accounts payable **USD 73.504 million** (previous year USD Nil)
- (vi) Liability arising out of cross currency swap **USD 425 million** (previous year USD 475 million).

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

- 11** (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 36.68 crores (previous year Rs.162.13 crores).
- (b) Capital commitment towards investment in joint venture Khet-Se Agri Produce India Private Limited : Rs. 43.69 crores (previous year Rs. 48.00 crores).
- (c) Capital commitment towards investment in proposed project at Mozambique : Rs. 16.36 crores (previous year Rs. 0.40 crores).

12 Contingent Liabilities :
(a) Guarantees:

- (i) Bank Guarantees issued by Banks on behalf of the Company Rs. 212.51 crores (previous year Rs. 69.00 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.
- (ii) Guarantees provided to third parties on behalf of subsidiaries USD 150 million (Rs. 760.80 crores) (previous year USD 517.5 million (Rs. 2076.47 crores))

(b) Claims not acknowledged by the Company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to the following areas :

(Rs. in crores)

	As at 31-Mar-09	As at 31-Mar-08
(i) Excise and Customs	84.34	112.34
(ii) Sales Tax	26.49	34.86
(iii) Demand for utility charges	57.99	57.80
(iv) Labour and other claims against the Company not acknowledged as debt	2.64	6.21
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	61.97	52.39
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	64.80	41.88

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

13 Operating Lease :

(Rs. in crores)

	As at 31-Mar-09	As at 31-Mar-08
(a) Total of minimum lease payments	161.28	180.66
The total of future minimum lease payments under non-cancellable operating leases for a period :		
Not later than one year	15.87	16.36
Later than one year and not later than five years	68.41	67.66
Later than five years	77.00	96.64
(b) Lease payments recognised in the statement of profit and loss for the year	16.36	20.91

- (c) The lease deposit of Rs. 25 crores for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of Rs. 2.17 crores (previous year Rs. 2.18 crores) has been charged to the Profit and Loss Account on the principle of matching of revenue and costs.

(d) General description of significant leasing arrangements :

The Company has entered into operating lease arrangement for storage tank from a vendor. Till previous year the lease arrangement also included power plants.

- 14** (a) Provision for compensation under Employee Separation Scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.
- (b) An amount of Rs. 0.87 crore (previous year Rs.1.02 crores) is payable under the scheme within one year.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

- 15 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to Micro and Small Enterprises under the said Act as at 31st March, 2009 as follows :

(Rs. in crores)

	As at 31-Mar-09	As at 31-Mar-08
(a) (i) Principal amount remaining unpaid to any supplier as on 31 March, 2009	3.05	1.28
(ii) Interest on (a)(i) above	*	*
(b) (i) The amount of principal paid beyond the appointed date	3.12	2.78
(ii) The amount of interest paid beyond the appointed date	-	-
(c) Amount of interest due and payable on delayed payments	0.01	-
(d) Amount of interest accrued and due as at 31st March, 2009	0.02	*
(e) Total outstanding dues of micro enterprises and small enterprises	3.05	1.28

16 Licensed and installed capacities :

	As at 31-Mar-09		As at 31-Mar-08	
	Licensed Capacity Tonnes	Installed Capacity Tonnes \$	Licensed Capacity Tonnes	Installed Capacity Tonnes \$
Soda Ash	1,000,000	917,700	1,000,000	917,700
Sodium Bicarbonate	75,600	70,000	75,600	70,000
Caustic Soda	36,000	36,000	36,000	36,000
Liquid Chlorine	31,950	31,950	31,950	31,950
Hydrochloric Acid	N.A.	64,800	N.A.	64,800
Bromine	2,520	2,400	2,520	2,400
Hydrobromic Acid	50	50	50	50
Vacuum Salt	N.A.	550,550	N.A.	550,550
Chemicals and other Industrial Machinery	5,000	5,000	5,000	5,000
Clinker	N.R.	825,000	N.R.	825,000
Cement	440,000	440,000	440,000	440,000
Ammonia	N.R.	445,500	N.R.	445,500
Urea @@	N.R.	742,500	N.R.	742,500
Sulphuric acid #	221,500	221,500	221,500	221,500
Phosphoric acid #	46,725	41,850	46,725	41,850
Sulphonic Acid #	N.A.	12,000	N.A.	12,000
Sodium Tripolyphosphate (STPP) #	40,000	50,000	40,000	50,000
Diammonium Phosphate (DAP) #	670,000	670,000	670,000	670,000
Industrial phosphates @ #	15,000	15,000	15,000	15,000
Tetra Sodium Pyro Phosphate (TSPP) @ #	15,000	15,000	15,000	15,000
Single Super Phosphate (SSP) #	165,000	165,000	165,000	165,000

\$ As certified by the Management and accepted by the Auditors.

Licensed capacity includes capacity under the Industrial Entrepreneurs Memorandum filed with the Government and duly acknowledged by them under the scheme of delicensing notified by the Government.

@ Alternate capacities to STPP.

@@ After debottlenecking expected per day production is likely to be around 3500 mtpd

N.A. Not Applicable

N.R. Not Required

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
17 Production and Sales :

	Production/Purchase		Internal Use ##		Sales			
	2008-09	2007-08	2008-09	2007-08	2008-09		2007-08	
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Rs. in crores	Tonnes	Rs. in crores
Soda Ash	695,115	697,046	19,783	13,690	670,396	1041.87	680,200	826.23
Sodium Bicarbonate	63,510	61,491	230	741	63,941	103.92	62,345	76.83
Caustic Soda	7,640	7,450	2,511	2,424	5,129	12.02	4,878	8.42
Liquid Chlorine	1,654	1,674	116	212	1,534	0.38	1,310	0.70
Hydrochloric Acid	11,813	11,363	9,817	8,371	1,996	0.11	2,794	0.16
Bromine	1,408	1,101	-	-	1,472	12.93	1,061	12.66
Hydrobromic Acid	-	-	-	1	-	-	-	-
Vacuum Salt #	527,466	493,982	23,374	7,340	504,630	426.41	479,697	361.05
Pure Salt	6,986	6,938	-	-	6,135	4.54	7,728	3.49
Solar Salt	102,995	-	-	-	101,014	3.03	-	-
Gypsum	364,682	236,615	18,373	29,530	338,305	16.86	163,367	7.93
Cement	405,325	380,907	15,031	4,646	390,340	164.59	373,670	157.76
Clinker	419,757	356,942	415,775	362,814	3,982	0.90	4,443	0.99
Ammonia	583,362	610,910	583,362	610,224	-	-	-	-
Urea	1,020,691	1,070,308	2,253	336	1,067,189	1220.08	1,043,047	1044.83
Sodium Tripoly phosphate (STPP)	26,912	44,411	32	-	26,575	198.99	44,719	171.79
Diammonium Phosphate (DAP)	148,096	237,505	1,539	288	181,930	1087.77	225,564	400.60
NPK	416,043	390,384	(966)	1,382	394,945	1759.00	449,801	715.53
Single Super Phosphate	127,710	95,308	3,983	9,200	128,342	160.19	93,867	43.08
Sulphuric Acid	178,567	214,750	127,800	158,202	51,128	51.56	58,106	31.61
Phosphoric Acid	20,955	31,930	21,278	31,836	-	-	63	0.19
Sulphonic Acid @	85	56	-	1	100	0.91	92	0.90
Sale of Purchased Materials :								
Solar Evaporated Salt I shakti	165,398	94,401	-	-	159,893	98.76	84,552	41.31
Diammonium Phosphate (DAP)	220,278	-	1,016	87	219,332	1246.37	816	1.90
Muriate of Potash (MOP)	251,044	215,571	17,398	18,069	243,087	757.09	152,154	183.81
Others						168.46		109.39
						8536.74		4201.17

#Sales of Vacuum Salt includes free issues under sales promotion schemes.

@Excludes quantities processed under conversion arrangement **315 tonnes** (previous year 10,616 tonnes)

After adjusting excess / shortage

Cost of Traded Products :

(Rs. in crores)

	2008-09	2007-08
Solar Evaporated Salt - I Shakti	26.65	10.21
DAP	1,259.88	-
MOP	632.92	204.38
Others	135.62	89.76
Total	2,055.07	304.35

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

18 Closing Stocks of Finished Goods :

	As at 31-Mar-09		As at 31-Mar-08		As at 31-Mar-07	
	Tonnes	Rs. in crores	Tonnes	Rs. in crores	Tonnes	Rs. in crores
Soda Ash	16,676	13.96	11,740	8.95	14,613	10.43
Sodium Bicarbonate	567	0.65	1,227	0.90	2,821	1.70
Liquid Chlorine	23	*	18	0.01	28	0.02
Bromine	18	0.06	82	0.38	45	0.20
Vacuum Salt	35,931	11.57	36,469	10.93	29,525	6.50
Pure Salt	731	0.20	103	0.02	894	0.15
Solar Salt	1,980	0.02	-	-	-	-
Gypsum	57,271	1.35	49,268	0.41	5,549	0.05
Cement	1,487	0.39	1,533	0.32	1,501	0.10
Urea	36,973	32.94	85,723	65.21	58,700	36.44
Sodium Tripolyphosphate (STPP)	675	3.12	369	1.77	255	2.28
Diammonium Phosphate (DAP)	4,056	9.09	39,429	63.62	27,738	42.61
NPK	30,705	75.81	8,641	11.54	69,365	95.84
Single Super Phosphate	1,107	0.98	5,723	0.06	9,081	3.10
Sulphuric Acid	3,278	0.89	3,639	1.67	4,840	0.71
Phosphoric Acid	102	0.66	425	1.07	259	0.74
Sulphonic Acid	1	0.01	16	0.10	53	0.30
Others	-	22.01	-	11.61	-	2.85
Traded Goods :						
Solar Evaporated Salt I shakti	15,353	5.18	9,849	1.64	-	-
Complex Fertilisers	33	0.08	103	0.16	1,007	1.58
Muriate of Potash (MOP)	46,140	143.21	55,581	56.91	2,043	2.20
		322.18		237.29		207.80

Tata Chemicals Limited
Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
19 Raw Materials consumed :

(inclusive of materials produced and captively consumed)

	Measure	2008-09		2007-08	
		Quantity	Rs. in crores	Quantity	Rs. in crores
Limestone @	Tonnes	16,27,681	99.32	17,43,371	90.34
Liquid Ammonia#	Tonnes	3,213	7.00	3,094	5.27
Salt *	Tonnes	18,81,956	23.66	11,54,711	19.21
Coke	Tonnes	45,873	99.66	60,301	67.98
Anthracite Coal	Tonnes	59,753	38.79	41,925	26.68
Natural Gas	SCM	15,40,50,721	93.20	14,97,28,116	74.34
RLNG	SCM	21,34,64,470	269.98	23,38,41,704	221.98
Naptha	KL	29,956	75.62	32,201	83.38
Phosphoric Acid	Tonnes	1,82,139	1,695.91	2,15,850	510.07
Ammonia	Tonnes	87,572	239.70	105,322	160.64
MOP	Tonnes	1,69,912	408.31	146,753	151.04
Rock	Tonnes	1,51,656	173.03	1,61,460	79.31
Sulphur	Tonnes	59,914	162.73	72,923	74.88
Soda Ash	Tonnes	32,315	45.65	49,773	31.93
Other Raw Materials **			62.05		69.00
			3,494.61		1,666.06

 @ Includes **Rs.4.95 crores** (Previous Year Rs. 5.56 crores) charged to Wages, Salaries and other revenue account

 # Includes **Rs.0.72 crore** (Previous Year Rs. 0.50 crore) charged to Wages, Salaries and other revenue account

 * Includes **Rs.5.89 crores** (Previous Year Rs. 4.51 crores) charged to Wages, Salaries and other revenue account

 ** Includes **Rs.8.89 crores** (Previous Year Rs. 5.72 crores) charged to Wages, Salaries and other revenue account

20 Value of Imports (C.I.F. Value) :

(Rs. in crores)

	2008-09	2007-08
(a) Raw Materials, fuel and traded products	4,741.43	1,361.90
(b) Stores, components and spare parts	19.78	8.49
(c) Capital goods	79.04	12.24
	4,840.25	1,382.63

(Rs. in crores)

21 Expenditure in Foreign Currencies :

- (a) For Technical know how fees
- (b) Interest
- (c) Payments on other accounts

	2008-09	2007-08
(a) For Technical know how fees	4.20	27.98
(b) Interest	159.40	36.88
(c) Payments on other accounts	14.43	45.51
	178.03	110.37

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

22 Remittances in foreign currencies for Dividends :

The Company has remitted during the year Rs. 26.62 crores (previous year Rs. 11.64 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 2007-08, for which dividend was declared during the year, are as under :

	2008-09	2007-08
(a) Number of Non-Resident Shareholders	2,263	1,621
(b) Number of Ordinary Shares held by them	2,95,80,488	1,45,46,137
(c) Gross amount of dividend (Rs. in crores)	26.62	11.64

(Rs. in crores)

23 Earnings in Foreign Exchange :

	2008-09	2007-08
(a) Export of goods on F.O.B. basis	92.75	66.79
(b) Interest	16.66	25.15
(c) Dividend	23.71	-
	133.12	91.94

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

	2008-09				2007-08			
	Raw Materials		Stores Components and Spare Parts		Raw Materials		Stores Components and Spare Parts	
	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%
(a) Imported	2,720.62	77.85	11.26	16.66	834.93	50.11	9.45	17.50
(b) Indigenous	# 773.99	22.15	56.36	83.34	# 831.13	49.89	44.58	82.50
	3,494.61	100.00	67.62	100.00	1,666.06	100.00	54.03	100.00

Includes Rs. 20.45 crores (previous year Rs. 16.29 crores) charged to wages, salaries and other revenue accounts.

25 Sales includes subsidy income of Rs. 4,683.58 crores (previous year Rs. 1,240.89 crores)

26 The Company has exercised the option granted vide notification F.No.17/33/2008/CL-V dated March 31, 2009 issued by the Ministry of Corporate Affairs and accordingly the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31st March, 2008 and 2009 have been recognised over the shorter of the maturity period or 31st March, 2011. The unamortised balance is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA). Accordingly an amount of Rs. 7.58 crores (net of taxes) has been adjusted to the General Reserve and an aggregate amount of Rs. 237.39 crores (net of taxes) is deferred and recognised as an asset. Due to this, the profit for the current year is higher by Rs. 244.97 crores (net of taxes).

27 In the earlier year impairment was created for the Cement Cash Generating Unit which is reversed in the current year considering the improvement in margins.

28 Asterisk (*) denotes figures below Rs.50,000.

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

Signatures to Schedules '1' to '5', 'A' to 'M', Notes to Accounts
Balance Sheet Abstract of Company's General Business Profile.

For and on behalf of the Board

Ratan N. Tata	<i>Chairman</i>
R. Gopalakrishnan	<i>Vice-Chairman</i>
Nusli N. Wadia	} <i>Directors</i>
Prasad R. Menon	
Nasser Munjee	
Dr. Yoginder K. Alagh	
Dr. M. S. Ananth	
Arun Nath Maira	
Eknath A. Kshirsagar	<i>Managing Director</i>
R. Mukundan	<i>Executive Director</i>
Kapil Mehan	<i>Executive Director & CFO</i>
P. K. Ghose	

Mumbai, 28th May, 2009.

Rajiv Chandan
Company Secretary & Head Legal

Tata Chemicals Limited

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.
 Balance Sheet Date Date Month Year
 State Code

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Sources of Funds	Total Liabilities <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/>	Total Assets <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/>
Paid up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="0"/>	Reserves and Surplus <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="1"/>	Unsecured Loans <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/>
Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="9"/>	Deferred Tax Liability (Net) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/>	
Application of Funds	Net Fixed Assets <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="5"/>	Investments <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/>
Net Current Assets <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	
Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Revenue) <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="1"/>	Total Expenditure <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="0"/>
+/- Profit/Loss before tax <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="1"/>	+/- Profit/Loss after tax <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="2"/>
Earnings per Share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="5"/>	Dividend rate % <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="0"/>

V. Generic names of three principal products/services of the Company (as per monetary terms)

Item code no. (ITC Code)
 Product Description
 Item code no. (ITC Code)
 Product Description
 Item code no. (ITC Code)
 Product Description

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary Company	Financial Year end of the subsidiary Company	Extent of holding by Tata Chemicals Limited in the subsidiary as on March 31, 2009	Profit/(loss) so far as it concerns the members of Tata Chemicals Limited and not dealt with in the accounts of Tata Chemicals Limited for the year ended March 31, 2009 (Rs. in Crores)	Profit/(loss) so far as it concerns the members of the Tata Chemicals Limited and dealt with in the accounts of Tata Chemicals Limited for the year ended March 31, 2009 (Rs. in Crores)
Homefield International Pvt. Ltd	March 31, 2009	100%	4.90	NIL
Homefield Pvt. UK Ltd	March 31, 2009	100%	(39.85)	NIL
Brunner Mond Group Limited	March 31, 2009	100%	6.07	NIL
Wyoming 1 (Mauritius) Pvt. Ltd	March 31, 2009	100%	0.19	NIL
Wyoming 2 (Mauritius) Pvt. Ltd	March 31, 2009	100%	(0.06)	NIL
Gusiute Holdings (UK) Ltd	March 31, 2009	100%	0.08	NIL
Valley Holdings Inc.	March 31, 2009	100%	183.52	NIL
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd	March 31, 2009	100%	(0.07)	NIL
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd	March 31, 2009	100%	(0.07)	NIL
Tata Chemicals Asia Pacific Pte. Ltd.	March 31, 2009	100%	(0.02)	NIL

For and on behalf of the Board

Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder K. Alagh
Dr. M. S. Ananth
Arun Nath Maira
Eknath A. Kshirsagar
R. Mukundan
Kapil Mehan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director
Executive Director & CFO

Mumbai, 28th May, 2009.

Rajiv Chandan
Company Secretary & Head Legal

The Company has been granted exemption for the year ended March 31, 2009 by the Ministry of Corporate Affairs from attaching to its Balance Sheet, the individual Annual Reports of its subsidiary companies. As per the terms of the Exemption Letter, a statement containing brief financial details of the Companies subsidiaries for the year ended March 31, 2009 is given below. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company / its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company / its subsidiaries at the Registered Office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices of the respective subsidiary companies.

Summary of Financial Information of Subsidiary Companies

(Rs. in crores)

Name of Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
Homefield International Pvt. Ltd	456.56	74.52	903.51	903.51	465.41	24.66	8.05	3.14	4.90	-
Homefield Pvt. UK Ltd	519.27	(111.43)	1,012.74	1,012.74	1,037.49	1.82	(39.60)	0.25	(39.85)	-
Brunner Mond Group Limited @	0.73	324.70	1,253.04	1,253.04	-	2,079.52	(43.04)	(49.11)	6.07	-
Wyoming 1 (Mauritius) Pvt. Ltd	3,649.20	0.17	3,649.37	3,649.37	3,649.28	0.26	0.19	-	0.19	-
Wyoming 2 (Mauritius) Pvt. Ltd	3,649.28	(0.11)	3,649.22	3,649.22	3,649.24	-	(0.06)	-	(0.06)	-
Gusiute Holdings (UK) Ltd	3,649.24	(40.29)	3,608.95	3,608.95	3,608.96	0.12	0.08	-	0.08	-
Valley Holdings Inc. @	*	3,835.50	5,480.24	5,480.24	-	1,323.66	279.06	(16.17)	295.23	-
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd	51.54	(0.07)	51.46	51.46	51.41	-	(0.07)	-	(0.07)	-
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd	51.41	(0.07)	51.34	51.34	51.20	-	(0.07)	-	(0.07)	-
Tata Chemicals Asia Pacific Pte. Ltd.	50.25	(0.02)	50.24	50.24	49.95	-	(0.02)	-	(0.02)	-

@ Consolidated figures in case of Brunner Mond Group Limited and Valley Holdings Inc with its subsidiaries.

The financial statements of subsidiaries are converted into Indian Rupees on the basis of appropriate exchange rate.

* Issued and subscribed Shared Capital in respect of Valley Holding Inc is USD 1.

Tata Chemicals Limited
Financial Highlights - Last Decade

Year	Turnover (Rs. Crs.)	Net Operating Income (Rs. Crs.)	PAT/Net Income (%)	Earnings per Share-Basic (Rs.)	Dividend per Share (Rs.)	Gross Gearing (%)	Return on Capital Employed (%)	Return on Net Worth (%)	Fixed Assets Cover (No. of times)	Working Capital Turnover (%)	Exports FOB Value (Rs. Crs.)	Market Capitalisation as on March 31st (Rs. Crs.)
1999-00	1,513.42	1,424.65	8.2%	6.50	5.00	44.7%	10.4%	7.0%	0.52	54.6%	5.46	948.68
2000-01	1,470.00	1,405.25	11.7%	9.13	5.00	37.1%	11.3%	9.1%	0.51	52.4%	22.10	687.33
2001-02	1,387.10	1,357.68	9.3%	7.02	5.00	34.5%	10.1%	7.3%	0.48	50.0%	20.75	839.97
2002-03	1,612.42	1,535.27	12.8%	10.88	5.50	28.2%	11.8%	12.3%	0.54	40.8%	53.18	1,190.41
2003-04	2,632.79	2,544.15	8.7%	10.25	5.50	23.6%	12.3%	12.0%	0.84	34.3%	64.25	2,293.62
2004-05	3,097.91	3,008.14	11.3%	15.83	6.50	36.0%	13.8%	16.9%	0.98	39.0%	85.27	3,260.96
2005-06	3,638.23	3,518.59	10.0%	16.41	7.00	36.9%	13.7%	17.0%	1.12	47.6%	80.61	5,675.48
2006-07	4,107.08	3,985.03	11.1%	20.65	8.00	28.0%	16.7%	19.5%	1.24	21.5%	77.93	4,451.55
2007-08	4,207.13	4,075.62	23.3%	42.82	9.00	37.9%	23.6%	31.8%	1.24	23.1%	66.79	6,570.55
2008-09	8,537.21	8,399.65	5.4%	19.25	9.00	48.1%	12.0%	12.2%	2.33	12.9%	92.75	3,328.82

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
TATA CHEMICALS LIMITED
ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **TATA CHEMICALS LIMITED** ("the Company"), its subsidiaries and joint ventures (collectively referred as "the Group") as at 31st March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets (net) of Rs. 4,450.79 crores as at 31st March, 2009, total revenues of Rs. 3,351.24 crores and net cash outflow of Rs.11.55 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on their reports.
4. We did not audit the financial statements of joint ventures, whose financial statements include the Company's share in the total assets (net) of Rs. 187.46 crores as at 31st March, 2009, total revenues of Rs. 514.84 crores and net cash outflow of Rs. 36.60 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these joint ventures, is based solely on their reports.
5. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards 21 (Consolidated Financial Statements) and 27 (Financial Reporting of Interests in Joint Ventures).
6. Based on our audit and consideration of the separate audit reports on the individual financial statements of the Company, its subsidiaries and joint ventures referred to in paragraphs 3 and 4 above and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

NALIN M. SHAH

Partner

Membership No. 15860

MUMBAI, 28th May, 2009

For **N. M. RAIJI & CO.**

Chartered Accountants

J. M. GANDHI

Partner

Membership No. 37924

Tata Chemicals Limited
Consolidated Balance Sheet as at 31st March, 2009

	Schedule	Page	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	104		235.23	234.06
(b) Reserves and Surplus	B	104		4,534.55	3,484.39
				4,769.78	3,718.45
2. MINORITY INTEREST				152.19	42.34
3. DEFERRED CAPITAL GRANT				9.03	14.79
4. LOAN FUNDS					
(a) Secured	C	105	841.28		643.22
(b) Unsecured	D	105	5,442.53		4,163.47
				6,283.81	4,806.69
5. DEFERRED TAX LIABILITY (net)				111.57	320.42
(Note 6, page 119)					
6. TOTAL				11,326.38	8,902.69
APPLICATION OF FUNDS					
7. FIXED ASSETS					
(a) Gross Block			7,014.81		6,326.75
(b) Less : Depreciation and Impairment ..			3,730.33		3,221.57
(c) Net Block	E	106	3,284.48		3,105.18
(d) Capital Work-in-Progress			474.03		266.03
				3,758.51	3,371.21
8. GOODWILL ON CONSOLIDATION				5,621.28	4,649.24
9. INVESTMENTS	F	107		869.79	417.42
10. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE				237.39	-
(Note 17, Page 125)					
11. DEFERRED TAX ASSET (net)				99.04	50.97
(Note 6, page 119)					
12. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	G	108	1,276.10		930.16
(b) Sundry Debtors	H	108	1,635.76		1,199.94
(c) Cash and Bank Balances	I	108	989.85		676.72
(d) Loans and Advances	J	109	555.36		620.04
Less:			4,457.07		3,426.86
13. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	109	2,499.37		1,933.55
(b) Provisions	L	110	1,217.33		1,079.99
			3,716.70		3,013.54
14. NET CURRENT ASSETS (12-13)				740.37	413.32
15. MISCELLANEOUS EXPENDITURE	M	110		-	0.53
16. TOTAL				11,326.38	8,902.69
17. Notes on the Balance Sheet and Profit and Loss Account	N	111			

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For N. M. RAIJI & CO.
Chartered Accountants

NALIN M. SHAH
Partner

J. M. GANDHI
Partner

Mumbai, 28th May, 2009.

Rajiv Chandan
Company Secretary & Head Legal

For and on behalf of the Board

Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder K. Alagh
Dr. M. S. Ananth
Arun Nath Maira
Eknath A. Kshirsagar
R. Mukundan
Kapil Mehan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director
Executive Director & CFO

Consolidated Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Page	Rupees in crores	Rupees in crores	Previous year Rupees in crores
INCOME					
1. Sales and services	1 (1)	102	12,327.82		6,152.50
Less: Excise Duty			174.51		170.82
Net Sales				12,153.31	5,981.68
2. Operating Income	1 (2)	102		104.35	41.47
3. Other Income	2	102		83.38	583.86
4. TOTAL INCOME				12,341.04	6,607.01
EXPENDITURE					
5. Manufacturing and Other Expenses	3	102	10,393.76		4,979.00
6. Employee Separation Compensation Amortised			0.53		3.17
7. Borrowing Costs	4	103	395.26		136.54
8. Foreign exchange loss / (gain) on borrowings			92.31		(1.41)
9. Depreciation and Amortisation			10,881.86		5,117.30
10. Impairment of assets (net of reversal) (Note 19, page 125)			422.64		313.83
TOTAL EXPENDITURE				11,423.72	5,431.13
PROFIT BEFORE TAX				917.32	1,175.87
11. PROVISION FOR TAX					
(a) Current			278.68		230.19
(b) Deferred			(122.67)		(22.02)
(c) Fringe Benefit Tax			1.50		3.30
				157.51	211.47
PROFIT AFTER TAX BEFORE MINORITY INTEREST					
				759.81	964.40
12. MINORITY INTEREST				111.71	-
13. PROFIT ATTRIBUTABLE TO SHARE HOLDERS				648.10	964.40
14. BALANCE BROUGHT FORWARD				1,728.46	1,106.21
15. AMOUNT AVAILABLE FOR APPROPRIATIONS				2,376.56	2,070.61
16. APPROPRIATIONS :					
(a) Proposed Dividend				211.65	211.25
(b) Tax on Dividend				35.97	35.90
(c) General Reserve				45.21	95.00
(d) Legal Reserve				2.58	-
(e) Balance carried to Balance Sheet				2,081.15	1,728.46
				2,376.56	2,070.61
17. EARNINGS PER SHARE (Rupees) (Note 4, page 117) (Face value per share- Rs. 10)					
(a) Basic				27.59	43.51
(b) Diluted				26.19	38.52
18. Notes on the Balance Sheet and Profit and Loss Account	N				

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For N. M. RAIJI & CO.
Chartered Accountants

NALIN M. SHAH
Partner

J. M. GANDHI
Partner

Mumbai, 28th May, 2009.

Rajiv Chandan
Company Secretary & Head Legal

For and on behalf of the Board

Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder K. Alagh
Dr. M. S. Ananth
Arun Nath Maira
Eknath A. Kshirsagar
R. Mukundan
Kapil Mehan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director
Executive Director & CFO

Tata Chemicals Limited
Consolidated Cash Flow Statement for the year ended 31st March, 2009

	Rupees in Crores 2008-09	Rupees in Crores 2007-08
A Cash Flow from Operating Activities		
Net Profit before Tax	917.32	1,175.87
Adjustments for :		
Foreign Exchange (Gain) / Loss on Borrowings	92.31	(1.41)
Employee Separation Compensation Amortisation	0.53	3.40
Depreciation & Amortisation	422.64	313.83
Impairment Expense (net of reversal)	119.22	-
Borrowing Costs	395.26	136.54
Interest Income	(10.74)	(7.66)
Amortisation of Capital Grant	(5.76)	(6.34)
(Profit) / Loss on sale of investments (net).....	22.53	(478.02)
Investment income	(71.83)	(88.72)
Provision for doubtful debts and advances	3.77	-
Provision for employee benefits	103.33	7.83
Provision for diminution in value of current investments	55.86	-
Exchange difference (including on Consolidation)	(94.33)	24.12
Loss on assets sold or discarded	4.25	3.22
Operating Profit before Working Capital Changes	1,954.36	1,082.66
Adjustments for :		
Trade and other receivables	(395.12)	(168.75)
Bonds received in settlement of subsidy receivable	(502.79)	-
Inventories	(345.94)	(221.54)
Trade payables, other liabilities and provisions	560.33	473.03
Payment towards employee separation compensation	(0.66)	(1.19)
Cash generated from Operations	1,270.18	1,164.21
Taxes paid	(242.31)	(283.60)
Net Cash generated from Operating Activities	1,027.87	880.61
B Cash Flow from Investing Activities		
Acquisition of fixed assets	(737.78)	(247.36)
Proceeds on sale of fixed assets	4.66	2.89
Proceeds on sale of investments	5,779.19	14,401.11
Purchase of investments	(5,807.17)	(13,565.23)
Acquisition/Investment of/in Subsidiaries/Joint Ventures	-	(4,032.56)
Interest received	4.34	5.75
Investment income received	15.32	3.55
Dividend received	56.51	85.17
Net Cash used in Investing Activities	(684.93)	(3,346.68)

Consolidated Cash Flow Statement for the year ended 31st March, 2009

	Rupees in Crores 2008-09	Rupees in Crores 2007-08
C Cash Flow from Financing Activities		
Repayment of borrowings	(1,114.76)	(434.23)
Proceeds of borrowings	1,640.41	3,738.61
Interest paid	(371.35)	(144.05)
Foreign exchange loss realised	1.30	(5.17)
Dividends paid including distribution tax	(247.15)	(200.96)
Net Cash generated from / (used in) Financing Activities	(91.55)	2,954.20
Net Increase in Cash and Cash equivalents	251.39	488.13
Cash and Cash equivalents as at 1st April	676.72	154.46
(Opening Balance)		
Add: Cash and bank balance taken over acquisition	-	32.10
Exchange difference on translation of foreign currency cash and cash equivalents	61.74	2.03
Cash and Cash equivalents as at 31st March	989.85	676.72
(Closing Balance)		

Notes :

- During the year, Foreign Currency Convertible Bonds of Rs. 26.25 crores (previous year Rs. 395.18 crores) were converted into shares. Accordingly, shares of the face value of Rs.1.18 crores (previous year Rs. 18.90 crores) were issued at a premium of Rs. 25.07 crores (previous year Rs. 376.28 crores).
- Investment in Fertiliser bonds is shown as cash flow from operating activities since these are received by the Company in settlement of subsidy receivable, being operating activity.

As per our report attached For DELOITTE HASKINS & SELLS <i>Chartered Accountants</i>	For N. M. RAIJI & CO. <i>Chartered Accountants</i>	For and on behalf of the Board Ratan N. Tata R. Gopalakrishnan Nusli N. Wadia Prasad R. Menon Nasser Munjee Dr. Yoginder K. Alagh Dr. M. S. Ananth Arun Nath Maira Eknath A. Kshirsagar R. Mukundan Kapil Mehan P. K. Ghose	<i>Chairman</i> <i>Vice-Chairman</i> <i>Managing Director</i> <i>Executive Director</i> <i>Executive Director & CFO</i>
NALIN M. SHAH <i>Partner</i>	J. M. GANDHI <i>Partner</i>		<i>Directors</i>
Mumbai, 28th May, 2009.	Rajiv Chandan <i>Company Secretary & Head Legal</i>		

Tata Chemicals Limited
Schedules forming part of the Consolidated Profit and Loss Account
Schedule 1 : Sales and Operating Income

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Sales and services:			
(Item No.1, page 99)			
(a) Sales (note 7, page 119)		12,327.35	6,146.54
(b) Processing charges		0.47	5.96
		12,327.82	6,152.50
2. Operating income:			
(Item No. 2, page 99)			
(a) Town income.....		1.41	1.44
(b) Liabilities no longer required - written back		88.95	19.45
(c) Insurance claims		0.22	4.81
(d) Miscellaneous income		13.77	15.77
		104.35	41.47

Schedule 2 : Other Income

(Item No.3, page 99)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Income from Long Term Trade Investments (Gross):			
(a) Dividend income	38.67		37.62
(b) Profit on sale of investments	0.81		487.47
		39.48	525.09
2. Income from Current Investments :			
(a) Dividend income	17.84		47.56
(b) Interest Income	15.32		3.55
		33.16	51.11
3. Interest on Refund of Taxes		0.23	-
4. Interest received on:			
(a) Inter-corporate loans and bank deposits	5.46		5.83
(b) Other Advances	5.05		1.83
		10.51	7.66
		83.38	583.86

Schedule 3 : Manufacturing and Other Expenses

(Item No.5, page 99)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Raw materials consumed:		4,059.78	2,062.13
2. Cost of traded goods purchased		2,041.53	310.00
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	591.93		336.22
(b) Contribution to Provident and other Funds	176.42		107.26
(c) Contribution to group insurance scheme	0.03		0.04
(d) Workmen and staff welfare expenditure	98.26		34.23
		866.64	477.75

Schedules forming part of the Consolidated Profit and Loss Account (Contd.)

Schedule 3 : Manufacturing and Other Expenses (Contd.)

(Item No.5, page 99)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
4. Operation and other expenses:			
(a) Stores and spare parts consumed	124.73		62.18
(b) Packing materials consumed	196.34		152.67
(c) Power and fuel	1,373.65		938.73
(d) Repairs - Buildings	10.63		8.08
- Machinery	181.11		184.30
- Others	6.05		7.98
(e) Rent	121.09		64.10
(f) Rates and taxes	78.48		22.20
(g) Excise duty adjustment for stocks	(0.65)		(0.37)
(h) Commission, discount and distributors' service charges	77.15		58.18
(i) Sales promotion expenses	54.73		48.06
(j) Insurance charges	27.19		22.64
(k) Freight and forwarding charges	571.85		489.50
(l) Lease rent	2.96		5.00
(m) Loss on assets sold or discarded (net)	4.25		3.22
(n) Provision for Doubtful debts and advances	3.77		*
(o) Provision for diminution in value of investments	55.86		-
(p) Loss on Sale of Investments (net)	23.35		9.46
(q) Other expenses	542.89		124.58
	3,455.43		2,200.50
Less: Expenditure transferred to capital account	2.26		0.14
		3,453.17	2,200.36
5. Directors' fees/commission		4.51	3.88
6. Change in inventory of work-in-process and finished goods		(31.87)	(75.12)
		10,393.76	4,979.00

Schedule 4 : Borrowing Costs

(Item No.7, page 99)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Interest paid on:			
(a) Debentures and fixed loans	278.25		104.59
(b) Other loans	19.11		13.84
(c) Others	16.65		0.60
		314.01	119.03
2. Discounting & other charges		81.25	17.51
Borrowing Costs (1 + 2)		395.26	136.54

Tata Chemicals Limited
Schedules forming part of the Consolidated Balance Sheet
Schedule A : Share Capital

[Item No.1(a), page 98]

	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Authorised:		
27,00,00,000 Ordinary Shares of Rs.10 each	270.00	270.00
(31 March, 08 27,00,00,000 Ordinary Shares of Rs.10 each)		
	<u>270.00</u>	<u>270.00</u>
2. Issued:		
23,52,55,686 Ordinary Shares of Rs.10 each	235.26	234.08
(31 March, 08 23,40,80,176 Ordinary Shares of Rs.10 each)		
	<u>235.26</u>	<u>234.08</u>
3. Subscribed & paid up:		
23,51,69,366 Ordinary Shares of Rs.10 each fully paid up	235.17	234.00
(31 March, 08 23,39,93,856 Ordinary Shares of Rs.10 each fully paid up)		
4. Forfeited Shares:		
Amount paid-up on 86,320 shares	0.06	0.06
	<u>235.23</u>	<u>234.06</u>

Schedule B : Reserves and Surplus

[Item No.1(b), page 98]

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Capital reserve:			
Balance as per last account		0.66	0.66
2. Capital redemption reserve:			
Balance as per last account		0.10	0.10
3. Surplus on amalgamation:			
Balance as per last account		20.75	20.75
4. Securities premium:			
(a) Balance as per last account	652.41		181.89
Add / (Less):			
(b) Premium on conversion of FCCBs (Note 10(b), page 122)	25.06		376.29
(c) Reversal of provision of redemption premium on conversion of FCCBs	5.21		90.72
(d) Revaluation of redemption premium on outstanding FCCBs (Note 10(c), page 123)	(9.72)		3.51
(e) Debenture Issue Expenses	(0.63)		-
(f) Proportionate Share in Joint Venture on allotment of shares	0.68		-
		<u>673.01</u>	<u>652.41</u>
5. Foreign currency translation reserve:			
Balance as per last account	(39.27)		20.77
Add : Net adjustment during the year	636.66		(60.04)
		<u>597.39</u>	<u>(39.27)</u>
6. General reserve:			
(a) Balance as per last account	875.82		780.82
(b) Add : Transferred from Profit and Loss Account	45.21		95.00
(c) Add : Transferred from Debenture Redemption Reserve	5.46		-
(d) Less: Foreign Currency Monetary Item Translation Difference (Note 17, Page 125)	7.58		-
		<u>918.91</u>	<u>875.82</u>

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule B : Reserves and Surplus (Contd.)

[Item No.1(b), page 98]

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
7. Debenture redemption reserve:			
Balance as per last account	245.46		245.46
Less: Transferred to General Reserve	5.46		-
		240.00	245.46
8. Legal Reserve			
Balance as per last account	-		-
Add : Transferred from Profit and Loss Account	2.58		-
		2.58	-
9. Balance in Profit and Loss Account		2,081.15	1,728.46
		4,534.55	3,484.39

Schedule C : Loan Funds - Secured

[Item No.4(a), page 98]

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
Loans :			
1. From Banks :			
(a) Cash Credits	1.97		27.70
(b) Term Loans	599.31		615.52
		601.28	643.22
2. Debentures		240.00	-
		841.28	643.22

Schedule D : Loan Funds - Unsecured

[Item No.4(b), page 98]

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
Short-term loans and advances :			
(a) From Banks :			
Buyer's credits (Repayable within one year)	749.58		89.96
Others	24.72		59.76
Other loans and advances :			
(Repayable within one year Rs.390.30 crores, 31 March, 2008 Rs. Nil)			
(a) From Banks :			
External Commercial Borrowings	3,839.47		3,312.52
(b) From others :			
Foreign Currency Convertible Bonds - FCCBs (Note 10(a), page 122)	222.69		201.11
6.44% Senior Notes due in 2017	606.07		500.12
		828.76	701.23
		5,442.53	4,163.48

Tata Chemicals Limited
Schedules forming part of the Consolidated Balance Sheet (Contd.)
Schedule E : Fixed Assets

[Item No.7, page 98]

Rs. in crores											
Fixed Assets (At Cost)	Gross Block as at 1-Apr-08	Additions / Adjustments*	Deductions / Adjustments	Exchange Fluctuations	Gross Block as on 31-Mar-09	Depreciation/ Amortisation for the year	Adustment	Exchange Fluctuations	Total Depreciation 31-Mar-09	Impairment	Net Block as on 31-Mar-09
Tangible:											
1. Land :											
(a) Freehold	79.06	2.24	-	(5.35)	75.95	-	-	-	-	-	75.95
	76.69	7.16	-	(4.79)	79.06	-	-	-	-	0.17	78.89
(b) Leasehold	81.44	6.98	-	18.16	106.58	4.15	-	1.07	11.10	-	95.47
	19.44	62.43	-	(0.43)	81.44	0.40	-	(0.22)	5.88	-	75.56
2. Works :											
(a) Saltworks,Reservoirs and Pans	42.14	-	-	1.07	43.20	1.62	-	0.93	37.45	-	5.75
	39.56	2.93	-	(0.35)	42.14	3.74	-	(0.31)	34.91	-	7.23
(b) Plant and Machinery	5,026.60	394.58	37.40	128.98	5,512.76	338.03	21.33	5.56	3,034.33	171.00	2,307.43
	4,732.85	378.18	11.25	(73.18)	5,026.60	251.82	-	(24.95)	2,698.59	96.36	2,231.72
(c) Traction Lines, Railway Sidings and Wagons	202.63	17.57	-	44.58	264.78	29.80	0.12	8.46	88.91	-	175.87
	164.69	49.54	-	(11.60)	202.63	21.55	-	(1.39)	50.53	0.28	151.82
(d) Buildings	494.55	33.67	0.03	24.79	552.98	18.51	1.15	(3.38)	185.66	3.37	363.95
	390.51	112.59	0.26	(8.29)	494.55	12.65	-	(5.25)	169.38	8.85	316.32
3. Other Buildings# ...	197.09	5.87	-	11.09	214.05	4.40	-	4.39	61.15	-	152.90
	193.32	6.90	0.99	(2.14)	197.09	3.44	-	(1.44)	52.36	-	144.73
4. Water Works	7.82	-	-	-	7.82	0.11	-	-	6.90	-	0.93
	7.82	-	-	-	7.82	0.12	-	-	6.79	-	1.03
5. Furniture,Fitting and Office Equipment	135.08	20.51	1.18	6.64	161.06	21.65	0.03	3.89	98.09	4.00	58.97
	119.18	22.02	3.31	(2.81)	135.08	16.39	-	(1.06)	73.44	0.10	61.54
6. Vehicles	34.52	6.48	3.82	4.74	41.92	3.88	0.09	2.82	27.15	0.01	14.76
	37.36	1.77	3.07	(1.54)	34.52	3.60	-	(0.79)	23.61	0.11	10.80
7. Mines & Quarries	24.87	1.19	-	6.69	32.74	0.65	-	0.07	0.72	-	32.03
	-	24.87	-	-	24.87	-	-	-	-	-	24.87
Intangible:											
8. Patents(license fees), trade-marks and rights	0.95	-	0.08	0.10	0.97	0.24	-	0.02	0.49	-	0.48
	0.84	0.07	-	0.04	0.95	0.12	-	0.09	0.21	-	0.67
Total	6,326.75	489.09	42.52	241.49	7,014.81	423.03	22.72	23.82	3,551.95	178.38	3,284.48
	5,782.26	668.46	18.88	(105.09)	6,326.75	313.83	-	(35.32)	3,115.70	105.87	3,105.18

NOTES :

- # Includes building of Rs. 4.64 crores (31 March, 08 Rs. Nil) held for resale valued at net realisable value.
- Depreciation for the year includes Rs 0.39 crore (previous year Rs. Nil) capitalised to "Capital Work in Progress".
- *Additions to fixed assets in the previous year include an amount of Rs.432.24 crores arising out of acquisition of General Chemicals Industrial Products Inc, USA.
- The figures in light print are for the previous year.

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule F : Investments

(Item No.10, page 98)

	Rupees in crores	As at 31-Mar-08 Rupees in crores		
A LONG TERM INVESTMENTS				
Trade Investments :				
1. Fully paid Equity Shares (Quoted):	161.03	145.71		
2. Fully paid Equity Shares (Unquoted):	147.22	147.45		
3. Fully paid Cumulative Redeemable Preference Shares (Unquoted) :	49.00	49.00		
4. Fully paid Cumulative Redeemable Preference Shares (Quoted) :	29.38	29.38		
TOTAL	386.63	371.54		
Less: Provision for diminution in value of investments	0.25	0.25		
TOTAL LONG TERM INVESTMENTS (net)	386.38	371.29		
B CURRENT INVESTMENTS				
1. Fully Paid Equity Shares (Unquoted) :	0.25	0.25		
2. Bonds (Quoted) :	502.79	-		
3. Units of Mutual Funds (Quoted) :	14.46	23.95		
4. Units of Mutual Funds (Unquoted) :	21.77	21.93		
TOTAL	539.27	46.13		
Less: Provision for diminution in value of investments	55.86	-		
TOTAL CURRENT INVESTMENTS	483.41	46.13		
TOTAL INVESTMENTS	869.79	417.42		
	Book Value Rupees in crores	Market Value Rupees in crores	Book Value Rupees in crores	Market Value Rupees in crores
Aggregate of Quoted Investments (net of provision)	204.62	570.82	198.79	1,006.16
Aggregate of Unquoted Investments (net of provision)	665.17	—	218.63	—

Tata Chemicals Limited
Schedules forming part of the Consolidated Balance Sheet (Contd.)
Schedule G : Inventories

(Item No.12 (a), page 98)

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Stores and spare parts, packing materials		215.34	197.64
2. Stock-in-Trade :			
(a) Raw materials	582.12		355.99
(b) Work-in-process	35.21		28.98
(c) Finished goods	443.43		347.55
		1,060.76	732.52
		1,276.10	930.16

Schedule H : Sundry Debtors

(Item No.12 (b), page 98)

(unsecured)

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Over six months old :			
- Considered good	180.39		283.57
- Considered doubtful	26.14		25.60
		206.53	309.17
2. Others :			
- Considered good	1,455.37		916.37
- Considered doubtful	0.48		0.77
		1,455.85	917.14
Less : Provision for doubtful debts		26.62	26.37
		1,635.76	1,199.94

[Including subsidy receivable of Rs.867.44 crores

(31 March, 2008 Rs. 473.06 crores)]

Schedule I : Cash and Bank Balances

[Item No.12 (c), page 98]

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Cash on hand		0.76	0.70
2. Balance with banks in			
(a) Current accounts		633.14	422.27
(b) Deposit accounts		355.95	253.75
		989.85	676.72

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule J : Loans and Advances

(Item No.12 (d), page 98)
(unsecured)

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Deposits with Government, public bodies and others :			
(a) Balances with Customs, Port Trusts, Excise etc.		28.16	19.36
(b) Others		6.81	4.53
2. Advance payment of taxes (net of provision)		72.49	99.10
3. Interest accrued on Investments		7.68	1.28
4. Other advances			
- Considered good	440.22		495.77
- Considered doubtful	0.93		1.39
	441.15		497.16
Less: Provision for doubtful advances	0.93		1.39
		440.22	495.77
		555.36	620.04

Schedule K : Current Liabilities

[Item No.13 (a), page 98]

	Rupees in crores	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Acceptances		243.92	343.92
2. Sundry creditors		2,032.06	1,521.42
3. Sundry deposits		32.79	29.88
4. Pension payable on Employee Separation Scheme		2.96	3.62
(Note 16, page 125)			
5. Interest accrued but not due on loans		36.84	12.92
6. Other Liabilities		150.80	21.79
		2,499.37	1,933.55

Tata Chemicals Limited

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule L : Provisions
(Item No.13 (b), page 98)

	Rupees in crores	As at 31-Mar-08 Rupees in crores
1. Proposed dividend	211.65	211.25
2. Tax on dividend	35.97	35.90
3. Provision for premium on redemption of FCCBs (Note 11(a), page 123)	46.52	42.01
4. Provision for site restoration expenditure (Note 11(b), page 123)	123.04	106.50
5. Provision for Tax (net of advances)	68.75	57.49
6. Provision for employee benefits	730.17	626.84
7. Others	1.23	-
	<u>1,217.33</u>	<u>1,079.99</u>

Schedule M : Miscellaneous Expenditure
(Item No.15, page 98)
(to the extent not written off or adjusted)

	Rupees in crores	As at 31-Mar-08 Rupees in crores
Employee separation scheme	-	0.53
	<u>-</u>	<u>0.53</u>

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account

1) Basis of Consolidation

The consolidated financial statements relate to Tata Chemicals Limited (the Company), its subsidiary companies and joint ventures. The Company, its subsidiaries and joint ventures constitute the Group.

a) Basis of Accounting :

- I. The financial statements of the subsidiary companies and Joint ventures used in the consolidation are drawn upto the same reporting date as of the Company, i.e. for the year ended 31 March, 2009.
- II. The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

b) Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies have been consolidated on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit as per applicable Accounting Standards in India.
- II. Interests in joint ventures have been accounted by using the proportionate consolidation method as per applicable Accounting Standard in India. The intra-group balances and intra group transactions and unrealised profits are eliminated to the extent of the Company's proportionate share.
- III. The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures is made is recognised in the financial statements as "Goodwill on Consolidation".
- IV. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- V. The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.

c) Particulars of subsidiaries and joint ventures :

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2009
Subsidiaries		
Homefield International Pvt. Limited,	Mauritius	100%
Wyoming 1 (Mauritius) Pvt. Limited,	Mauritius	100%
Tata Chemicals Asia Pacific Pte. Limited,	Singapore	100%
Homefield Pvt. UK Limited,	United Kingdom	100%
Brunner Mond Group Limited,	United Kingdom	100%
Brunner Mond (UK) Limited,	United Kingdom	100%
Brunner Mond Limited,	United Kingdom	100%
The Magadi Soda Company Limited	United Kingdom	100%
Brunner Mond (South Africa) Pty Limited,	South Africa	100%
Northwich Resource Management Limited,	United Kingdom	100%
Brunner Mond Generation Limited,	United Kingdom	100%
Transcontinental Holdings Limited,	United Kingdom	100%
Magadi Railway Company Limited,	Kenya	100%
Brunner Mond B.V.,	Netherlands	100%
Wyoming 2 (Mauritius) Pvt. Limited,	Mauritius	100%

Tata Chemicals Limited
Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2008
Gusiute Holdings (UK) Limited,	United Kingdom	100%
Valley Holdings Inc.,	United States of America	100%
General Chemical Industrial Products Inc.,	United States of America	100%
General Chemical International Inc.,	United States of America	100%
NHO Canada Holdings Inc.,	United States of America	100%
General Chemical (Soda Ash) Inc.,	United States of America	100%
Bayberry Management Corporation,	Netherlands	100%
General Chemicals (Soda Ash) Partners LLC.,	United States of America	75%
General Chemical (Great Britain) Limited,	United Kingdom	100%
General Chemical Canada Holding Inc.,	Canada	100%
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd*,	Mauritius	100%
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd*,	Mauritius	100%
Grown Energy Zambeze Holdings Pvt. Ltd*	Mauritius	100%

*Companies which became subsidiaries during the year.

Joint Ventures

Indo Maroc Phosphore S. A.	Morocco	33.33%
Lake Natron Resources Limited	Tanzania	50.00%
Khet-Se Agri Produce India Pvt. Limited	India	50.00%
Alcad	United States of America	50.00%
Kemax B.V.	Netherlands	49.99%
Joil (S) Pte. Ltd*	Singapore	33.80%

* Joint venture entered during the year

2 Significant Accounting Policies :
(a) Basis of Accounting

The accounts of the Group are prepared under the historical cost convention using the accrual method of accounting.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on the Management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets and Intangibles

Fixed Assets are carried at cost less depreciation, amortisation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset.

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

Patents, Intellectual Property Rights (IPR), Trademarks, Licenses and other intangibles of similar nature are initially recognised at cost. Intangible assets are amortised using straight line method over its estimated useful lives / period of contractual rights or ten years whichever is lower and for any impairment.

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(d) Capital Work-in-Progress

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

(e) Foreign Currency Transactions

(i) Purchases and sales in foreign currencies are accounted at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at the rates prevailing at the year end and the resultant net gains or losses are recognised as income or expense in the year in which they arise, except that on consolidation of non-integral foreign operations, the assets, liabilities and goodwill arising on acquisition of the Company's overseas operations are translated at the exchange rate prevailing on the Balance Sheet date and items of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising on consolidation are recognised in the Foreign Exchange Translation Reserve until the disposal of the net investment.

The exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31 March 2008 and 2009 are being amortised over the shorter of the maturity period or 31st March, 2011. The unamortised balance is presented as "Foreign Currency Monetary item Translation Difference Account" net of tax effect thereon. [see Note 17, page 125]

(ii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contract. Foreign currency options outstanding at the Balance Sheet date are stated at fair value and any gains or losses are recognised in the Profit and Loss Account.

(f) Deferred Capital Grants

Government grants relating to tangible fixed assets are treated as deferred income and included in the Profit and Loss Account over the expected useful life of the assets concerned.

(g) Investments

Long term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value.

(h) Inventories

Inventories are valued at lower of cost on weighted average basis (except one foreign subsidiary and one JV which are on FIFO basis, constituting 13.2 % (previous year 22.2%) of the total inventory value) and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in process and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Employee Separation Compensation

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

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

(j) Sales

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

(k) Other Income

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

Tata Chemicals Limited

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(l) Research and Development Expenses

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

(m) Depreciation

(i) Depreciation on fixed assets is provided at the rates determined on straight line method over the useful life estimated by the Management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher, except for mines, machinery and equipment of a subsidiary, which are depreciated using the units-of-production method. Approximately 25% of machinery and equipment and 100% of mines and quarries are depreciated using the units-of-production method.

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

(n) Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. An impairment loss recognised is reversed if there has been a change in the estimates of cash flows and discount rates used for determining the recoverable amount. The carrying amount is increased to the amount that would have been determined had no impairment loss been recognised in accordance with AS-28.

(o) Employee Benefits

Employee benefits of the Group consist of Provident Fund, Superannuation Fund, Gratuity Fund, compensated absences, long service award, post retirement medical benefits and pension plans. Provident fund is considered as defined benefit plan.

(i) Post-employment benefit plans

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

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

The Company makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

(ii) Short-term employee benefits

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

The cost of compensated absences is accounted as under -

- (a) in case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) in case of non - accumulating compensated absence when the absences occur.

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(iii) Long-term employee benefits

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

(p) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provision is determined based on the local tax laws. Deferred tax is recognised for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date.

(q) Derivative Contracts

The Group enters into derivative contracts in the nature of full currency swaps, interest rate swaps, currency options, forward contracts and commodity hedges with an intention to hedge its existing assets, liabilities, raw material requirements and firm commitments. Derivative contracts which are closely linked to the underlying transaction are recognised in accordance with the contract terms. All other contracts are marked-to-market and losses are recognised in the Profit and Loss Account. Gains arising on the same are not recognized on grounds of prudence.

(r) Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised.

(s) Goodwill on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the investee company at the time of acquisition and the cost of investment made. The said goodwill is not amortised; however, it is tested for impairment at each Balance Sheet date and impairment loss, if any, is provided for.

(t) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(u) Borrowing costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortised and charged to Profit and Loss Account, over the tenure of the loan.

(v) Debenture Issues Expenses

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

Tata Chemicals Limited
Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)
3 Segment Information for the year ended 31st March, 2009 :
(a) Information about Primary Business Segments

(Rs. in crores)

	Inorganic Chemicals		Fertiliser		Others		Elimination		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Revenue :										
External (Net of Excise)	5,346.16	3,291.04	6,903.79	2,722.39	7.72	9.72	-	-	12,257.66	6,023.15
Inter-segment	69.14	16.65	-	-	-	-	(69.14)	(16.65)	-	-
Total Revenue	5,415.30	3,307.69	6,903.79	2,722.39	7.72	9.72	(69.14)	(16.65)	12,257.66	6,023.15
Result :										
Segment Result	1,008.90	363.99	494.13	380.23	7.72	9.72	-	-	1,510.75	753.94
Unallocated Income net of Unallocated Expenditure									(198.17)	558.47
Borrowing Costs									395.26	136.54
Profit before Tax									917.32	1,175.87
Provision for Tax									(157.51)	(211.47)
Profit After Tax									759.81	964.40

Other Information :

(Rs.in crores)

	Inorganic Chemicals		Fertiliser		Others		Unallocated		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Segment Assets	9,937.18	8,584.90	2,624.47	1,894.61	-	-	2,481.43	1,436.72	15,043.08	11,916.23
Segment Liabilities	1,701.93	2,157.04	1,538.78	641.82	-	-	7,032.59	5,398.94	10,273.30	8,197.80
Capital Expenditure	348.32	630.98	283.27	47.26	-	-	68.02	26.77	699.61	705.01
Depreciation and amortisation	297.70	202.03	121.52	109.15	-	-	3.42	2.65	422.64	313.83
Amortisation of Foreign Currency Monetary Translation Difference	-	-	-	-	-	-	124.97	-	124.97	-
Non-cash Expenses other than Depreciation	123.98	3.17	(0.46)	-	-	-	55.86	-	179.38	3.17

(b) Information about Secondary Geographical Segments
Revenue by geographical market

(Rs.in crores)

	Asia		Europe		Africa		America		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
External	9,215.25	4,075.63	1,453.39	1,355.68	325.71	591.84	1,263.31	-	12,257.66	6,023.15
Segment Assets	5,899.76	3,838.67	1,680.71	1,262.72	1,210.17	1,941.77	6,252.44	4,874.51	15,043.08	11,917.67
Capital Expenditure	488.81	153.17	167.50	87.05	1.95	7.27	41.35	457.52	699.61	705.01

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(c) Notes:

- (i) Management has identified two reportable business segments, namely :
- Inorganic Chemicals : - comprising of Soda Ash, Salt, Marine Chemicals, Caustic Soda, Cement and Bulk Chemicals.
 - Fertilisers : - comprising of Urea, Phosphatic fertilisers and other agricultural inputs.
- Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.
- (ii) The Segment Revenue in the geographical segments considered for disclosure are as follows :
- Asia : comprising of sales to customers located in Asia.
 - Europe : comprising of sales to customers located in Europe.
 - Africa : comprising of sales to customers located in Africa
 - America- Comprising of sales to customers located in America
- (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

4 Earnings per Share :

		2008-09	2007-08
(a) Profit after tax	Rs.in crores	648.10	964.40
(b) The weighted average number of equity shares of Rs.10 each			
Total number of shares	Nos.	23,48,85,004	22,16,72,327
(c) Earning Per Share (Basic)	Rupees	27.59	43.51
(d) Profit after tax for Basic EPS	Rs.in crores	648.10	964.40
(e) Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gains/(losses) & taxes)	Rs.in crores	(10.55)	(26.63)
(f) Profit after tax for Diluted EPS	Rs.in crores	637.55	937.77
(g) The weighted average number of equity shares for Basic EPS	Nos.	23,48,85,004	22,16,72,327
(h) Add: Adjustments for Foreign Currency Convertible Bonds	Nos.	85,88,794	2,18,01,474
(i) The weighted average number of equity shares for Diluted EPS	Nos.	24,34,73,798	24,34,73,801
(j) Earning Per Share (Diluted)	Rupees	26.19	38.52

5 Related Party Disclosure :

(a) Related Party and their relationship

Joint Ventures

Indo Maroc Phosphore S. A., Morocco
 Kemex B.V., Netherlands
 (indirectly through Brunner Mond Group Ltd, UK)

Lake Natron Resources Limited, Tanzania
 Khet-Se Agri Produce India Pvt. Ltd., India
 Alcad, USA
 (indirectly through Valley Holdings Inc., USA)
 Joil (S) Pte. Ltd (Singapore)
 (Indirectly through Tata Chemicals Asia Pacific Pte Ltd, Singapore)

Key Management Personnel

Mr. R. Mukundan, Managing Director
 (w.e.f. 26 November, 2008 Executive Director)
 (w.e.f. 15 December, 2008 Managing Director)

Mr. P. K. Ghose, Executive Director & CFO
 (w.e.f. 26 November, 2008)

Mr. Kapil Mehan, Executive Director
 (w.e.f. 26 November, 2008)

Mr. Homi. R. Khusrokhhan, Managing Director
 (up to 14 December, 2008)

Tata Chemicals Limited
Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)
(b) Transactions with the related parties

(Rs.in crores)

	IMACID Morocco	Kemex	Khet-se Agri Produce India Pvt. Ltd.	Key Management Personnel	Total
Purchase of goods (includes stock in transit)	803.97 135.75	- -	- -	- -	803.97 135.75
Amount Received (in respect of loans)	- -	- -	- -	* *	* *
Amount Payable (in respect of goods purchased)	115.37 -	- -	- -	- -	115.37 -
Amount receivable in respect of loans	- -	4.35 1.29	- -	0.03 -	4.38 1.29
Maximum Amount outstanding during the year	- -	- -	- -	0.03 -	0.03 -
Amount payable in respect of loans	- -	- -	- -	- -	- -
Provision / (Receipt) of management services	0.27 -	- (7.56)	- -	- -	0.27 (7.56)
Dividend received during the year	23.70 -	- -	- -	- -	23.70 -
Loans given	- -	- 4.44	- -	- -	- 4.44
Amounts received / receivable on account of any Management Contracts including for deputation of employees	- 0.31	- -	0.27 0.27	- -	0.27 0.58

In addition to the above, remuneration is paid to Key Management Personnel, under their contract of employment with the Company.

The figures in light print are for previous year.

6 Deferred Taxes :

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

(Rs.in crores)

	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-09	As at 31-Mar-08
	Deferred Tax Liability		Deferred Tax Asset	
Deferred Tax Assets :				
Provision for doubtful debts and advances	9.14	8.54	-	-
Provision for Pension	97.71	9.45	79.01	103.00
Exchange Differences	168.60	-	-	-
Other timing differences	6.85	9.19	30.53	-
	282.30	27.18	109.53	103.00
Deferred Tax Liability :				
Depreciation	334.09	290.55	-	-
Accelerated capital allowances	-	20.23	10.49	51.06
Other timing differences	59.78	36.82	-	0.97
	393.87	347.60	10.49	52.03
Net deferred tax asset/(liability)	(111.57)	(320.42)	99.04	50.97

7 Sales include subsidy income of Rs. 4,683.58 crores (previous year Rs. 1,240.89 crores)

8 Employee Benefit Obligations :

- (a) Tata Chemicals Limited makes contribution towards provident fund a defined benefit retirement plan and towards superannuation fund a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.
- (b) Brunner Mond Group Limited, operates pension arrangements in United Kingdom (UK), Netherlands and Africa. The UK and Netherlands arrangements are defined benefit schemes and the arrangements in Africa are defined contribution schemes.
- (c) Payments and provision for employees include Rs. 114.97 crores (previous year; Rs. 69.05 crores) in respect of actuarial deficit for overseas pension liabilities arising out of reduction in fair value of plan asset (which includes 45.20 % in equity instruments) and change in actuarial assumptions.

(Rs. in crores)

	Domestic		Foreign		Domestic		Foreign	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	As at 31st March 2009				As at 31st March 2008			
(i) Changes in the defined benefit obligation:								
Projected defined benefit obligation, beginning of the year	47.49	11.02	2034.44	130.28	45.34	5.88	1,615.81	-
Current service cost	2.56	0.66	25.35	1.33	2.38	3.63	14.30	-
Interest cost	3.88	0.92	124.44	7.84	3.77	0.49	80.72	-
Actuarial (gain) / loss	(2.05)	15.30	(329.62)	(6.68)	(1.60)	1.04	(72.03)	-
Benefits paid	(2.24)	(0.32)	(83.20)	(6.55)	(2.40)	(0.33)	(43.85)	-
Past Service Cost	-	-	3.30	21.92	-	-	-	-

Tata Chemicals Limited
Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(Rs. in crores)

	Domestic		Foreign		Domestic		Foreign	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	As at 31st March 2009				As at 31st March 2008			
Exchange Variation Recognised on Acquisition	-	-	37.62	15.15	-	-	(97.48)	-
							536.98	130.28
Projected defined benefit obligation, end of the year	49.64	27.58	1812.32	163.29	47.49	10.71	2034.44	130.28
(ii) Changes in the fair value of plan assets:								
Fair value of plan assets, beginning of the year	46.83	-	1582.24	-	43.06	-	1,281.23	-
Expected return on plan assets	3.90	-	115.95	-	3.23	-	78.57	-
Employer's contributions	0.62	0.32	108.80	6.55	0.54	0.33	52.55	-
Actuarial gain / (loss)	1.76	-	(423.89)	-	2.39	-	(141.08)	-
Benefits paid	(2.24)	(0.32)	(83.20)	(6.55)	(2.40)	(0.33)	(43.85)	-
Exchange Variation Recognised on Acquisition	-	-	32.75	-			(78.56)	-
							433.39	-
Fair value of plan assets, end of the year	50.87	-	1,332.64	-	46.83	0.00	1582.24	0.00
Liability (net)	(1.23)	27.58	479.68	163.29	0.66	10.71	452.20	130.28

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

(Rs. in crores)

	Domestic		Foreign		Domestic		Foreign	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	As at 31st March 2009				As at 31st March 2008			
Current service cost	2.56	0.66	25.35	1.33	2.38	0.23	14.30	-
Interest defined benefit obligation	3.88	0.92	124.44	7.84	3.77	0.49	80.72	-
Expected return on plan assets	(3.90)	-	(116.31)	-	(3.23)	-	(78.57)	-
Net actuarial (gain) / loss recognised in the year	(3.81)	15.30	115.20	-	(3.99)	1.04	69.05	-
Contributions	-	-	(51.48)	-			(52.55)	-
Net benefit expense	(1.27)	16.88	97.19	9.17	(1.07)	1.76	32.95	-
Actual Return on Plan Assets	5.66	-	(455.48)	-	5.62	-	-	-

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(iv) Categories of plan assets as a percentage of the fair value of total plan assets :

(Rs. in crores)

	Domestic		Foreign		Domestic		Foreign	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	31 March 2009	%	31 March 2009	%	31 March 2008	%	31 March 2008	%
Government Securities	26.82	52.73	-	-	25.10	53.60	-	-
Corporate Bonds	6.57	12.92	338.75	25.42	4.80	10.25	438.87	27.74
Special Deposit Scheme	11.61	22.82	-	-	11.61	24.80	-	-
Equity Shares of Listed Companies	0.04	0.08	602.32	45.20	0.25	0.54	798.64	50.48
Insurer Managed/Hedged Funds	4.73	9.31	112.63	8.45	4.04	8.62	135.27	8.55
Others	1.09	2.14	278.94	20.93	1.02	2.19	209.46	13.24
Total	50.86	100.00	1,332.64	100.00	46.82	100.00	1,582.24	100.00

(v) Assumptions used in accounting for gratuity and post retirement medical benefit obligations :

	Domestic		US Plans		UK Plans
	Funded	Unfunded	Funded	Unfunded	Funded
Discount rate	7.61%	8%	7.30%	7.30%	6.90%
	8.02%	8%	NA	NA	5.90%
Expected rate of return on plan assets	8.50%	NA	8%	NA	6.33%
	8.50%	NA	NA	NA	6.33%
Increase in Compensation cost	5% for first year, 7.5% for second year, 10% for third year and 7.5% p.a. thereafter		NA	3.50%	3.50%
	10% p.a. for first 3 years & 7.5% p.a. thereafter		NA	NA	NA
Healthcare cost increase rate	NA	6%	NA	10%	NA
	NA	6%	NA	NA	NA
Pension increase rate	NA	5%	NA	NA	3.60%
	NA	5%	NA	NA	3.25%

- Discount rate for domestic funds is based on the prevailing market yields of Government securities as at the Balance Sheet date for the estimated term of the obligations.
- Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.
- The figures in light print are for previous year.
- The details of the Company's post-retirement and other benefit plans for its employees given above, are certified by the actuaries and relied upon by the Auditors.

Tata Chemicals Limited
Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

- 9 The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures included in the consolidated financial statements are given below:-

(Rs.in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Kemex B.V.		ALCAD		Joil (S) Pte. Ltd.	
	India		Morocco		Netherlands		United States of America		Singapore	
Country of Incorporation										
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		33.80%	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
LIABILITIES										
Loan Funds	-	-	23.31	1.07	4.70	4.44	-	-	-	-
Current Liabilities	1.95	1.48	99.25	147.19	1.23	1.13	5.68	3.69	-	-
ASSETS										
Fixed Asset-Net Block	4.94	2.92	82.16	104.29	5.30	4.24	-	-	16.87	-
Current Assets	0.57	0.44	212.48	207.23	4.58	5.29	7.98	5.18	33.31	*
									-	-
INCOME										
Sales and Operating income	1.85	0.16	867.66	293.51	9.92	8.62	92.02	-	0.01	-
Other Incomes	0.11	-	3.46	-	-	-	-	-	-	-
EXPENDITURE										
Manufacturing and other expenses	5.33	1.94	793.12	211.77	9.16	7.65	59.14	-	0.43	-
Interest expense (net)	*	*	0.13	2.68	0.18	0.17	-	-	-	-
Depreciation	0.42	0.01	30.60	28.72	0.86	0.73	-	-	-	-
Provision for Tax	0.03	0.01	11.15	9.33	(0.05)	0.04	-	-	-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(3.82)	(1.79)	36.12	41.01	(0.23)	0.11	32.88	-	(0.42)	-
CONTINGENT LIABILITIES	0.08	0.08	-	-	-	-	-	-	-	-
CAPITAL COMMITMENTS	-	1.89	1.31	-	-	-	-	-	-	-

- 10 (a) During the year 2004-05, the Company had issued Foreign Currency Convertible Bonds (FCCBs) of a face value of USD 1000 each aggregating to USD 150 million. As per the terms of the issue, the holders have an option to convert the FCCB into Ordinary Shares at a conversion rate of Rs. 231.375 per Ordinary Share at a fixed exchange rate conversion of Rs. 43.65 = USD 1, from 13th March, 2005 to 22nd January, 2010. The conversion price is subject to certain adjustments for Corporate actions and consequently the conversion price has changed to Rs.230.78 per ordinary share. Further, under certain conditions the Company has an option of early redemption in whole but not in part. Unless previously converted, redeemed or purchased and cancelled, the Company will redeem these bonds at 120.89 per cent of the principal amount on 1st February, 2010.
- b) During the year 2008-09, the Company got notices for conversion of USD 6.215 million (previous year USD 99.879 million) FCCBs into ordinary shares at a conversion price of Rs.230.78 per ordinary share at a fixed exchange rate of Rs.43.65 = USD1. Pursuant to this, the Company has issued 11,75,510 (previous year 1,88,91,205) Ordinary share of Face Value Rs.10.

- (c) Exchange loss of Rs 9.72 crores (previous year exchange gain Rs 3.51 crores) on account of year end translation of liability denominated in foreign currency, relating to premium on redemption of FCCBs has been credited to the Securities Premium Account.

11 Disclosure as required by AS 29 “Provisions, Contingent Liabilities and Contingent Assets” in respect of provisions as at 31st March 2009 :

- (a) Provision for premium on redemption of Foreign Currency Convertible Bonds (FCCBs)

(Rs.in crores)

	As at 31-Mar-2009	As at 31-Mar-2008
Opening Balance	42.01	136.25
Less :- Exchange difference	(5.21)	(90.72)
Closing Balance	9.72	(3.52)
	46.52	42.01

Premium payable on redemption of FCCBs issued has been fully provided and debited to Securities Premium Account.

- (b) Provision for site restoration expenditure :

(Rs.in crores)

	As at 31-Mar-2009	As at 31-Mar-2008
Opening Balance	106.50	12.57
Add : Net Adjustments during the year	16.54	93.93
Closing Balance	123.04	106.50

12 Derivative Instruments :

- (a) As on 31 March, 09, the Group has the following derivative instruments outstanding:
- (i) Forward currency exchange contracts USD-INR amounting to USD 134.96 million for the purpose of hedging its exposures to foreign currency loans (previous year USD 22.42 million)
 - (ii) Forward currency exchange contracts USD- INR amounting to USD 40.90 million for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 54.36 million)
 - (iii) Accounts payable USD 80.13 million (previous year USD Nil)
 - (iv) Currency options contracts USD- INR amounting to USD 65 million with an intent to hedge its exposures to foreign currency loans (previous year USD 65 million). FCCB outstanding as on 31 March, 09 is USD 43.906 million (previous year USD 50.12 million).
 - (v) Full Currency Swap to hedge against fluctuations in exchange rates USD 75 million (previous year Notional principal USD 25 million)
 - (vi) Cross Currency Swap to hedge against fluctuations in exchange rates and Interest rates USD 475 million (previous year Notional principal USD 475 million)
 - (vii) Commodity forward contracts amounting to USD 6.99 million to reduce the fluctuation in natural gas.
 - (viii) Interest rate swap to hedge the exposure to floating interest rate liability - USD 158.75 million.
 - (ix) Interest rate swap to hedge the exposure to floating interest rate liability - GBP 13.3 million.
- (b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:
- (i) Export receivables USD 1.05 million (previous year USD 4.14 million)
 - (ii) Foreign Currency Loans USD 12.83 million (previous year USD Nil)
 - (iii) Loans and Advances USD 73.43 million (previous year USD 59.24 million)
 - (iv) Acceptances USD 7.19 million (previous year USD 31.35 million)
 - (v) Accounts payable USD 73.504 million (previous year USD Nil)

Tata Chemicals Limited

(vi) Liability arising out of cross currency swap USD 425 million (previous year USD 475 million).

- 13** (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 56.79 crores (previous year Rs.262.56 crores)
- (b) Capital commitment towards investment in joint venture Khet-Se Agri Produce India Private Limited : Rs. 43.69 crores (previous year Rs. 48.00 crores)
- (c) Capital commitment towards investment in proposed project at Mozambique : Rs. 16.36 crores (previous year Rs. 0.40 crore)

14 Contingent Liabilities :
(a) Guarantees:

- (i) Bank Guarantees issued by Banks on behalf of the Group Rs. 324.87 crores (previous year Rs. 69.00 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.
- (ii) Guarantees provided to third parties on behalf of subsidiaries USD 150 million (Rs. 760.80 crores) (previous year USD 517.5 million (Rs. 2076.47 crores)).

(b) Claims not acknowledged by the Group relating to the following areas :

		(Rs.in crores)	
		As at 31-Mar-2009	As at 31-Mar-2008
(i)	Excise and Customs	84.34	112.34
(ii)	Sales Tax	26.49	34.86
(iii)	Demand for utility charges	57.99	57.80
(iv)	Labour and other claims against the Group not acknowledged as debt	7.33	6.21
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	61.97	52.39
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	64.80	41.88

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

15 Operating Lease

		(Rs.in crores)	
		As at 31-Mar-2009	As at 31-Mar-2008
(a)	Total of minimum lease payments	304.66	335.35
	The total of minimum lease payments for a period:		
	Not later than one year	83.07	74.91
	Later than one year and not later than five years	144.59	160.62
	Later than five years	77.00	96.64
(b)	Lease payments recognised in the statement of profit and loss for the year	120.52	28.18
(c)	The lease deposit of Rs. 25 crores for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of Rs. 2.17 crores (previous year Rs. 2.18 crores) has been charged to the Profit and Loss Account on the principle of matching of revenue and costs.		
(d)	In respect of various overseas subsidiaries, as on 31 March, 2009 Plant & Machinery includes assets held under finance lease with a net book value of Rs. 31.13 crores (previous year Rs. 64.46 crores) and gross book value of Rs. 35.12 crores (previous year Rs. 73.21 crores). The future minimum lease payments under finance lease is as follows-		
	(i) Not later than one year- Rs. 7.27 crores (previous year Rs. 13.53 crores)		
	(ii) Later than one year but not later than five years- Rs.25.23 crores (previous year Rs. 28.65 Crores)		

- 16** (a) Provision for compensation under Employee Separation Scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.
- (b) The amount shown under Miscellaneous Expenditure on this account represents the balance amount to be amortised over the future years.
- (c) An amount of Rs. 0.87 crore (previous year Rs.1.02 crores) is payable under the scheme within one year.
- 17** The Company has exercised the option granted vide notification F.No.17/33/2008/CL-V dated 31st March, 2009 issued by the Ministry of Corporate Affairs and accordingly the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31st March, 2008 and 2009 have been recognised over the shorter of the maturity period or 31st March, 2011. The unamortized balance is presented as "Foreign Currency Monetary item Translation Difference Account". Accordingly an amount of Rs. 7.58 crores (net of taxes) have been adjusted to the General Reserve and an aggregate amount of Rs. 237.39 crores (net of taxes) is recognised as asset. Due to this the profit for the current year is higher by Rs. 244.97 crores (net of deferred tax).
- 18** The consolidated financial results include the results of two of its Investment Subsidiaries registered in United Kingdom. Under UK GAAP, the reporting currency of these standalone entities is based on the basis of functional currency, which is currency of the primary economic environment in which the entity operates and which may be different than the currency of the country in which it is domiciled.
- During the current year, both the above subsidiary companies, which reported their financial statements in GBP upto 31st March, 2008, adopted USD as their functional currencies under UK GAAP for the financial year 2008-09, in view of the current currency in which cash flow is generated and the corresponding change in expenditure pattern. Accordingly, due to the change in reporting currencies of both the above mentioned Investment Subsidiaries from GBP to USD for the FY 2008-09, exchange loss for the year ended 31st March, 2009 is lower and profit for the year is higher by Rs. 148.96 crores.
- 19** (a) Brunner Mond Group Ltd, UK (BMGL), a subsidiary of the Company, has recognised an asset impairment loss of Rs. 151.07 Crores, consequent to the Management of Brunner Mond B.V., Netherlands (a subsidiary of BMGL) having petitioned the Works Council of its intention to close the operations of its plant at Netherlands.
- (b) In the earlier year, impairment was created for Cement Cash Generating Unit which is reversed in the current year considering the improvement in margins, amounting to Rs. 31.84 crores.
- 20** Asterisk (*) denotes figures below Rs.50,000.
- 21** Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the Company's financial statements.
- 22** Previous year's figures have been regrouped / reclassified wherever necessary.

Signatures to Schedules '1' to '4', 'A' to 'M', Notes to Accounts.

For and on behalf of the Board

Ratan N. Tata	<i>Chairman</i>
R. Gopalakrishnan	<i>Vice-Chairman</i>
Nusli N. Wadia	} <i>Directors</i>
Prasad R. Menon	
Nasser Munjee	
Dr. Yoginder K. Alagh	
Dr. M. S. Ananth	
Arun Nath Maira	
Eknath A. Kshirsagar	
R. Mukundan	<i>Managing Director</i>
Kapil Mehan	<i>Executive Director</i>
P. K. Ghose	<i>Executive Director & CFO</i>

Mumbai, 28th May, 2009.

Rajiv Chandan
Company Secretary & Head Legal

FINANCIAL STATISTICS

Year	CAPITAL ACCOUNTS								REVENUE ACCOUNTS								Earnings per Ordinary Share (Basic)	Dividend per Ordinary Share	Net Worth per Ordinary Share	Employees' Earnings and Benefits
	Share Capital	Reserves	Borrowings	Deferred Tax Liability (Net)	Capital Employed	Gross Block	Depreciation	Net Block	Gross Revenue	Expenses	Depreciation	Profit before Taxes	Taxes	Development Rebate Export Reserve/Debtenture Redemption Reserve	Distributable profit for the year	Dividends (including Dividend Tax)				
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rupees	Rupees	Rupees	Rs. in lacs
1944-45	152	8	69	—	229	186	7	179	16	29	—	(13)	—	—	—	—	—	—	8.11	12
1949-50	152	10	126	—	288	240	17	223	116	107	9	—	—	—	—	—	0.07	—	7.83	24
1954-55	192	24	86	—	302	315	105	210	223	191	18	14	—	—	14	14(a)	1.03	—	10.80	44
1959-60	312	64	325	—	701	708	207	501	351	303	21	27	1	14	12	19(b)	0.90	0.60	11.68	74
1964-65	362	220	281	—	863	1086	443	643	876	649	72	155	63	12	80	53	2.91	1.60	15.52	110
1974-75	994	906	1189	—	3089	3765	1375	2390	3464	2652	201	611	250	52	309	154	3.82	1.60	18.06	368
1979-80	994	2036	2848	—	5878	7480	3048	4432	5860	4421	513	926	364	128	434	191	5.97	2.00	31.80	511
1980-81	994	2681	3522	—	7197	8877	3544	5333	7888	6010	649	1229	370	240	619	214	9.16	2.25	38.70	627
1981-82	994	3267	4444	—	8705	10459	4198	6261	8350	6514	670	1166	365	200	601	214	8.53	2.25	44.99	693
1982-83	1105	3982	4410	—	9497	11683	4758	6925	7694	6143	610	941	118	132	691	197	8.03	1.90	48.10	591
(9 Months)																				
1983-84	1405	4906	6727	—	13038	14254	6254	8000	12610	9413	1516	1681	760	261	660	297	7.84	2.50	46.47	866
1984-85	1594	6705	11987	—	20286	17032	7317	9715	13570	10429	968	2173	450	519	1204	352	12.34	2.50	53.70	1068
1985-86	2779	8636	12779	—	24194	19559	8285	11274	16746	12898	1102	2746	578	524	1644	684	7.96	2.50	41.76	1171
1986-87	2719(c)	10212	21929	—	34860	22257	9170	13087	19354	14878	1341	3135	875	457	1803	683	8.30	2.50	47.55	1365
1987-88	3717	15036	23516	—	42269	25991	10631	15360	23040	17875	1645	3520	800	2	2718	1086	7.51	3.00	51.80	1651
1988-89	4492	21093	25850	—	51435	28559	12125	16434	29172	22392	1751	5029	1450	350	3229	1392	7.97	3.10	56.96	1779
1989-90	4917	25926	34129	—	64972	35310	14017	21293	30902	23172	2056	5674	1600	582	3612	1475	8.29	3.00	62.73	1684
1990-91	7375	26070	58398	—	91843	49989	16047	33942	35202	27354	2403	5445	1000	500	3945	1844	6.03	2.50	45.35	1909
1991-92	7375	29831	62262	—	99468	69797	18618	51179	41204	29580	2650	8974	3000	2000	3974	2212	8.10	3.00	50.45	2442
1992-93	9262	41931	95966	—	147159	119358	21050	98308	48743	34754	2623	11366	3871	1000	6495	2944	8.91*	3.50	54.84	2527
1993-94	11268	71225	125245	—	207738	194562	22632	171930	64698	40424	2266	22008	500	5000	16508	6385	20.21*	6.00	73.03	3613
1994-95	11288	92630	152664	—	256582	209747	26717	183030	92443	59171	4601	28671	6	5500	23165	7342	25.38	6.50	92.00	4053
1995-96	18069	113349	154892	—	286310	224475	36872	187603	155565	103420	10489	41656	2200	17000	22231	11747	21.83	6.50	72.72	4582
1996-97	18070	125449	161606	—	305125	241799	47837	193962	162813	122372	11409	29032	3800	4500	20487	12916	13.96	6.50	79.42	4830
1997-98	18070	141396	152755	—	312221	260896	59053	201843	166151	121432	11513	33205	4350	—	28863	12916	15.97	6.50	88.28	6557
1998-99	18070	149537	157023	—	324630	273995	70516	203479	150030	117432	11615	20983	2816	—	18167	10026	10.06	5.00	92.79	6478
1999-00	18070	151240	137023	—	306313	284488	82244	202244	165882	139190	12347	14345	2616	—	11729	10026	6.50	5.00	93.73	6038
2000-01	18070	176474	114627	—	309171	281238	92802	188436	173411	141518	13284	18609	2114	—	16495	9953	9.13	5.00	105.36	6251
2001-02	18070	1370.66	106071	46431	307638	285989	104522	181467	151605	118278	13321	20006	7324	—	12682	9032	7.02	5.00	84.35	6035
2002-03	18070	145516	81626	44076	289288	283490	115049	168441	170483	130588	13693	26202	6544	—	19658	11208	10.88	5.50	89.81	6972
2003-04	21516(d)	182018	76554	44203	324291	307025	132880	174145	272984	225961	14415	32608	10555	—	22053	13347	10.25	5.50	94.48	9793
2004-05	21516	178268	132422	35338	367544	311790	155551	156239	322515	263451	13770	45294	11239	—	34055	15973	15.83	6.50	92.80	10643
2005-06	21516	195254	145449	32295	394514	322899	167802	155097	373461	308481	13893	51087	15784	—	35303	17169	16.41	7.00	100.45	12187
2006-07	21516	217768	104177	29122	372583	332657	181183	151474	426923	348504	15035	63384	18963	—	44421	20133	20.65	8.00	111.07	14898
2007-08	23406	333762	234384	27823	619375	346082	194824	151258	484819	354233	14876	115710	20792	—	94918	24715	42.82	9.00	152.64	16973
2008-09	23523	362407	367610	10302	763842	390176	205801	184375	872402	790072	16303	66027	20822	—	45205	24762	19.25	9.00	164.11	19581

EQUITY SHARES ISSUED ON CONVERSION OF BONDS/DEBENTURES

	Rs. Lacs	Premium
1982-83	116	Rs. 8/- per share
1983-84	300	Rs. 10/- per share
1984-85/1985-89	600	Rs. 30/- per share
1987-88	725	Rs. 40/- per share
1987-88	725	Rs. 60/- per share
1992-93	1960	Rs. 40/- per share
1993-94	1960	Rs. 40/- per share
2007-08	1889	Rs. 220.78 per share
2008-09	117	Rs. 220.78 per share
	8392	

RIGHTS ISSUES

		Rs. Lacs
1954-55	1 for 2 at Par	48
1957-58	4 for 5 at Par	112
1961-62	1 for 5 at Prem Re. 0.5 per share	50
1972-73	1 for 5 at Prem Re. 0.5 per share	104
		314

BONUS ISSUES

		Rs. Lacs
1966-67	1 for 10	30
1968-69	3 for 10	100
1970-71	1 for 5	87
1974-75	1 for 2	311
1985-86	2 for 5	777
1990-91	1 for 2	2458
1995-96	3 for 5	6777
		10540

Note: (a) Including arrears of dividends on Preference Shares, (b) Including interest paid out of Capital on Ordinary Shares, (c) Reduction due to cancellation of Preference Share Capital and Issue of Non-Convertible Bonds.

(d) Includes the balance lying in Share Capital Suspense Account amounting to Rs. 34.46 Crores.

* Annualised.

TATA CHEMICALS LIMITED

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

ATTENDANCE SLIP

Folio No.	
DP ID	
Account ID	
No. of Shares	

I hereby record my presence at the SEVENTIETH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vitaldas Thackersey Marg, Mumbai 400 020, at 3.00 p.m. on Thursday, July 30, 2009.

Signature of the attending Member/Proxy	
---	--

- Notes:** 1. A Member/Proxyholder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.



TATA CHEMICALS LIMITED

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

PROXY

I/We of in the district of being a Member/Members of the above named Company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the SEVENTIETH ANNUAL GENERAL MEETING of the Company, to be held on Thursday, July 30, 2009 at 3.00 p.m. and at any adjournment thereof.
Signed this day of 2009

Signature	Affix Re. 0.15 Revenue Stamp
-----------	---------------------------------------

Folio No.	
DP ID	
Account ID	
No. of Shares	

This form is to be used in favour of the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.
against

*Strike out whichever is not desired.

- Note: 1. The proxy must be returned so as to reach the Registered Office of the Company, Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. A Proxy need not be a member of the Company.



Adding taste to your life
since last 25 years.....



Launched 25 years ago, Tata Salt pioneered the cause of iodization in India which transformed into a national movement over the past two and a half decades. It is the first salt in India to be manufactured using the Vacuum Evaporation Technology. Walking the path for 25 years, TATA Salt has attained a leadership position in the salt category gaining a market share of 45.5 % in national branded salt category.

In India, salt and integrity have a connection that stretches back to a time much before Tata Salt was born. Tata Salt has drawn on India's rich relationship with salt to deliver a product that embodies reliability, honesty and credibility, that emanate from the Tata creed of business.

In last 25 years Tata Salt has played a role in the battle against iodine deficiency and set standards in the category for hygienic production.

Today Tata Salt enjoys the trust and pride of 50 million households. Manufactured through a technologically advanced production process by evaporating sea brine in steam-heated vacuum evaporators it is almost completely free from extraneous matter to reach consumers in the purest possible form. Tata Salt has a fine crystalline structure and dissolves very quickly. Each and every TATA Salt pack is HACCP certified to ensure that a safe, pure and hygienic product reaches to consumer. The brand continues to reach out to consumers throughout the country to educate them about the benefits of using an Iodised & Pure Salt.

The expression of the immense trust that consumers continue to repose in this brand that took birth 25 years ago transcends into TATA Salt being adjudged as the No. 1 Most Trusted Food Brand in India. Tata Salt has been adjudged No. 1 Most Trusted Food Brand 5 times out of the 6 Brand equity surveys. The "Desh Ka Namak" is also ranked as the No. 7 Most Trusted Brand Overall in the Brand Equity Economic Times Survey 2009, conducted by Nielsen.

The survey conducted by Nielsen interviewed 8160 consumers. 300 brands were evaluated on relatedness, perceived popularity, quality connotation, distinctiveness / uniqueness, value for money and re-purchase intent. The sample consists of Chief Wage Earners, housewives, young adults in one each of metros, class 1 towns and class 2 towns in each zone.

With its "Desh ko Arpan" program, TATA Salt looks forward to fulfilling the Brand's Social Responsibility. The program has extended educational support to 1500 underprivileged girl children in the past through the Nanhi Kali project.



Selected
Business
Superbrand
INDIA 2008
Industry Validated



Registered Office Bombay House 24 Homi Mody Street Fort Mumbai 400 001
Tel 91 22 6665 8282 Fax 91 22 6665 8144
Website: www.tatachemicals.com e-mail: corporate_communications@tatachemicals.com