TATA CHEMICALS

71st Annual Report - 2009-10

Living, Industry and Farm Essentials.

Serving Society Through Science


FACILITIES
MARKETS
USA
UK
MOROCCO
INDIA
SINGAPORE
KENYA
SOUTH AFRICA


THE HUMAN TOUCH OF CHEMISTRY ™
TATA
TATA SALT

SERVING SOCIETY THROUGH SCIENCE

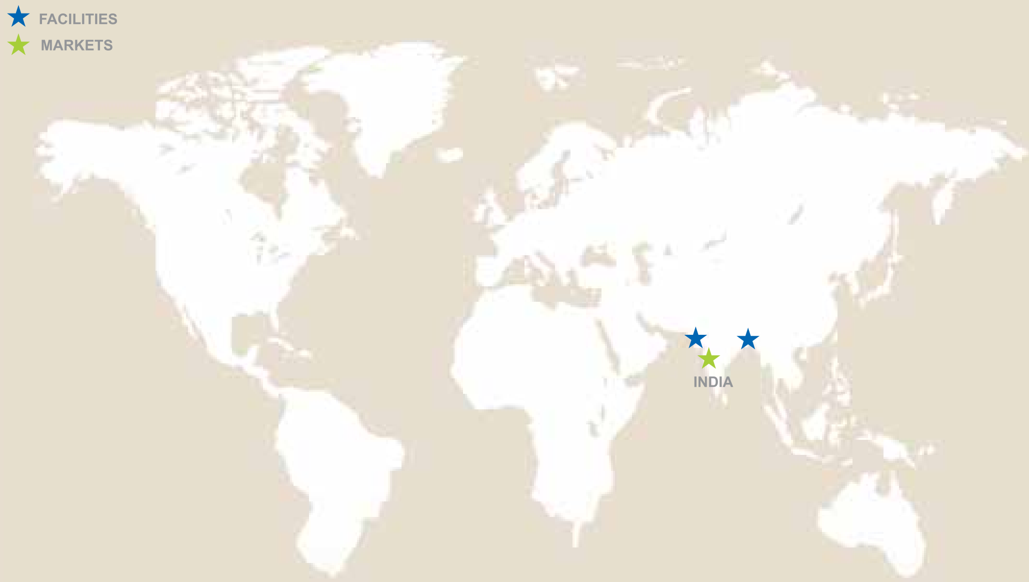
Tata Chemicals Limited Profile

Tata Chemicals Limited is a part of the US $ 70.8 billion Tata Group. Established in 1939, TCL is currently the second largest producer of soda ash in the world with manufacturing facilities in India, UK, Kenya and USA. It is India's leading Crop Nutrients Player with its own manufacturing of urea and phosphatic fertilisers and a leading player in crop protection business through its subsidiary Rallis. TCL is the pioneer and India's market leader in the branded, iodised salt segment and Tata Salt has been recognised as India's No.1 Food Brand for more than five years.

TCL has undertaken several key steps recently to leverage its expertise in sciences to develop high-tech and more sustainable products. It has set up the TCL Innovation Centre in Pune to develop world-class R&D capability in the emerging areas of nanotechnology and biotechnology. TCL has also invested in a Centre for Agri-Solutions & Technology (CAT) at Aligarh to provide advice on farming practices in general and crop nutrition practices and solutions in particular. The company has also entered into a JV with Temasek Life Sciences Laboratory Ltd (TLL), Singapore for development of jatropha seedlings and agronomic package of practices.

Businesses

Tata Chemicals operates broadly in three sectors – Living Essentials, Industry Essentials and Farm Essentials. It is structured in order to address all major segments of consumers in society namely **Household** (Living Essentials), **Industry** (Industry Essentials) and the **Farmer** (Farm Essentials).


FACILITIES
MARKETS
INDIA


TATA SALT
TATA SALT LITE
TATA SALT

LIVING ESSENTIALS

Living Essentials

The pillar of Living essentials covers products that are basic/essential to daily living e.g. salt, sodium bicarbonate or baking soda products, fresh produce and now water related products.

The Consumer Products Business (CPB) comprises predominantly of Tata Salt, a branded iodized edible salt, and Sodium Bicarbonate and water purifiers among other offerings. The company has launched a new refined salt, I-Shakti. The special Tata Salt Lite caters to the niche market of low sodium salt users with 15% less sodium than ordinary salts. Topp Salt is a brand of edible salt created for export. I Shakti, a cooking soda, is targeted to help the leavening of the consumers.

To leverage its reach with farmers and housewives TCL started Khet-Se, a 50:50 joint venture in 2007 with Total Produce, Ireland, one of the largest fruits and vegetable distribution company in the world and Europe's largest and most accomplished fresh produce provider, to set up a fruits and vegetables distribution business in India.

To meet the challenge of providing safe drinking water to India's population, TCL, launched 'Tata Swach' in December 2009 – a unique and innovative water purifier that combines low-cost ingredients such as rice husk ash with nano–technology. The product combines technology, performance, convenience and above all, affordability to serve a basic human right of millions of consumers.

- Tata Salt - Market leader in the national branded salt segment. TCL's salt portfolio has 60% market share in the national branded salt segment
- I-Shakti is the second largest salt brand. Tata Salt Lite - market leader in the low sodium salt category within the first year of its launch
- Tata 'Swach', the low cost water purifier launched in 2 states – Maharashtra and Karnataka. National Roll-out, initiated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DENSE SODA ASH
TATA

INDUSTRY ESSENTIALS

- Owns 35% of global low cost and sustainable natural soda ash capacity
- Caters to key global players of the glass and detergents industry, due to favourable geographical diversity being the only soda ash player with manufacturing facilities in 4 continents
- Has a wide variety of innovative branded bicarb offerings for the industrial market

Industry Essentials

The second pillar, Industry essentials, consists of products that are essential raw materials required for key industries such as glass, detergents, mining and chemical processing.

TCL's journey as a soda ash manufacturer began in Mithapur, on the western coast of Gujarat. For many years, the synthetic soda ash plant at Mithapur represented the sum total of TCL's soda ash manufacturing activities. In 2006, TCL's soda ash capacity took a significant leap when it acquired the UK-based Brunner Mond Group, one of the world's leading manufacturers of soda ash and sodium bicarbonate. Through this acquisition, manufacturing facilities in Northwich, UK and in Lake Magadi, Kenya joined the TCL fold. In early 2008, TCL successfully completed the acquisition of US-based General Chemical Industrial Products (GCIP), thereby gaining access to some of the world's largest recoverable trona ore deposits which can be very economically converted to soda ash at GCIP's plant in Green River, Wyoming. The acquisition of GCIP increased TCL's soda ash capacity to around 5 million tonnes per annum. Moreover, about 60% of this capacity is based on natural soda ash units at Wyoming and Lake Magadi. TCL's customer base now encompasses some of the world's leading and recognizable companies such as Procter & Gamble, Unilever, Church & Dwight, Saint Gobain, NSG-Pilkington, Asahi, Owens Illinois, Guardian and PPG.


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FARM ESSENTIALS

- Leading player in urea and phosphatic fertilizer segments
- Manufactures Urea and Phosphates at Babrala & Haldia plants respectively
- Strategic stake in IMACID, Morocco
- JV with Total Produce of Ireland to provide fresh produce from the farmers to the retailers

Farm Essentials

Inputs needed to improve productivity of the farm as a whole e.g. fertilizers, pesticides, specialty nutrients, seeds, agri-services and crop protection constitute the third pillar of TCL.

The Crop Nutrition and Agri-Business has its presence across all the three key agro-nutrients; viz. nitrogen (N), phosphorus (P) and potassium (K). While the nitrogenous fertilizer, urea, is manufactured at Babrala in the northern state of Uttar Pradesh at one of the industry's most efficient plants, phosphatic fertilizers DAP and complexes are manufactured at Haldia in West Bengal in eastern India and MOP is imported. To secure the raw material supply of phosphatic rock for its Haldia plant, in 2005 TCL acquired an equal partnership in the Moroccan company Indo Maroc Phosphore S.A. (IMACID), along with Chambal Fertilisers and the global phosphate major, OCP of Morocco.

The company also helps small farmers enhance the yield from their land by providing end-to-end solutions through its network of Tata Kisan Sansars (Tata Farmer Centres) in the northern states of Uttar Pradesh, Punjab, Haryana, Uttarakhand and West Bengal, Bihar and Jharkhand. The centers are one-stop resource centers; they stock seeds, pesticides and fertilizers; lease out farm equipment and implements to farmers who cannot afford to buy expensive modern machinery; provide agronomy services like soil testing and mapping and fertilizer testing; facilitate credit finance, arrange crop insurance and even provide buyback facilities.

Through Rallis, its subsidiary, TCL will look to enhancing value creation as well as accessing business synergies in the agri-inputs sector — crop nutrition and crop protection. Currently, TCL is a dominant player in the crop nutrition segment. Rallis has a leadership position in the Indian Crop Protection industry and with this; TCL will strengthen its presence in the entire agri-input space.

NEW VENTURES

Innovation Centre

Tata Chemicals established the Innovation Centre in Pune, India in 2004. The Centre was set up with the objective of developing world class R&D capabilities in new knowledge-based products, cutting edge technologies and emerging areas of nanotechnology and biotechnology. The Centre would thus help develop a wider range of value added products and build new business lines for the future.

TCL has recruited world renowned scientists with high levels of capabilities in their field of specialisations. The Centre has built a state-of-the-art infrastructure with latest equipment for development work.

With the Innovation Centre having filed 36 patents (including 14 international filings) and in the process of filing several more, its success and capability has been established.

Since inception, the Innovation Centre has interfaced with TCL's business units and explored the development of new products higher up the value chain - the Innovation Centre has contributed significantly to the development of the nanotechnology-enabled cartridge/bulb in Swach.

Innovation Centre has established a young, highly experienced, and technologically advanced team that is eager to make its mark through innovation and patenting. The Centre has now moved from being TCL-centric to having a much wider base of clients, from the Tata group as well as external companies.

The team of Innovation Centre scientists is working in the following areas: Advanced materials, Biochemicals and metabolites, Green chemistry and catalysis, Alternate energy and Nutraceuticals.

- Working with leading academic and research institutes like CSIR, MIT, Purdue University and IIT Chennai among others in developing innovative technologies
- 40 Scientists Working in the area of Nano and Bio Technology

NEW VENTURES

Bio Fuels

- JV with JOiL (Temasek Life Sciences), Singapore for Jatropha seed supply and conducting genetic research on the same
- Prototype bio diesel plant – new technology related to catalyst developed by Innovation Center, Pune
- Partnering with Research Institutes in India for second generation research in bio ethanol and bio butenol

Tata Chemicals' biofuels business has grown out of its extensive expertise in chemicals manufacturing, the agriculture and crop-nutrition space, and its research capability through the Innovation Centre. Its product portfolio includes Bioethanol and Biodiesel.

The Company's bio ethanol demonstration plant at Nanded has proved technical viability of bio ethanol production based on sweet sorghum. As focus shifts towards second-generation bio-fuels, TCL plans to utilize the Nanded facility as a pilot plant for R&D of cellulose-based bio ethanol and bio butanol.

For biodiesel, the company is currently focused on identifying, developing and cultivating superior varieties of jatropha as feedstock. TCL has also recently acquired an equity stake in JOil (Singapore), a jatropha seedling company founded by Temasek Life Sciences Laboratory that will set up tissue culture labs in India and other locations to develop jatropha seedlings using micro-propagation techniques. Tata Chemicals will also have exclusive marketing rights for JOil's jatropha seedlings in India and East Africa.

Apart from this, the company is actively involved in biofuels research. TCL's Innovation Centre is working on advanced technologies including second generation biofuels, technology for better processing of feedstock and on by-products. TCL is a part of ICRISAT's Sweet Sorghum Ethanol Research Consortium (SSERC).

Corporate Sustainability

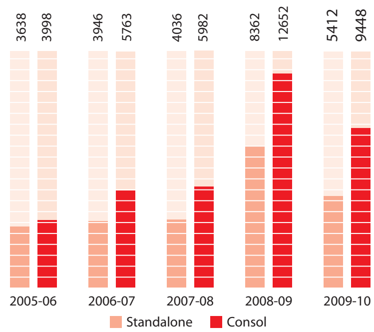
The company is a signatory to Responsible Care, a voluntary global initiative of the chemical industry that demonstrates allegiance to safety, health and environmental issues. Its Mithapur and Babrala plants have won the British Safety Council's 5-star rating. The Babrala fertiliser plant in UP has won the British Safety Council's Sword of Honour Award, four times in a row and also the Globe Award for environmental sustainability. These accolades, recognized as the pinnacle of achievement in safety management systems, are awarded to businesses that demonstrate sustainable performance through a clear and measurable commitment to environmental management.The company has also developed the Mithapur salt works as a natural habitat for thousands of migratory birds.

Tata Chemicals' Society for Rural Development (TCSRD) nurtures rural populations in and around the facilities, and helps people achieve self-sufficiency in natural resource management, livelihood support through self-help groups and the building of health and education infrastructure. Continuing with its sustainability activities, TCL and Wildlife Trust of India (WTI) have signed a MoU for a conservation project that will create awareness and undertake research to save the endangered species of Whale Shark that visits the coastal shores of Gujarat.

Tata Chemicals has assessed the carbon footprint of all its operations and is developing plans for reduction of the carbon intensity of its products by 20 % by 2020.

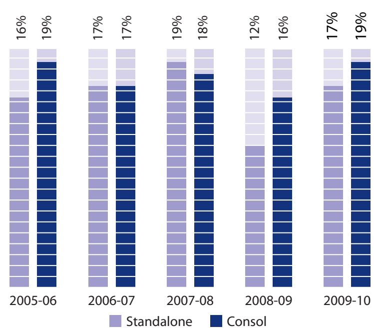
(Rs. in Crores except per share data and EBITDA margin)

Turnover

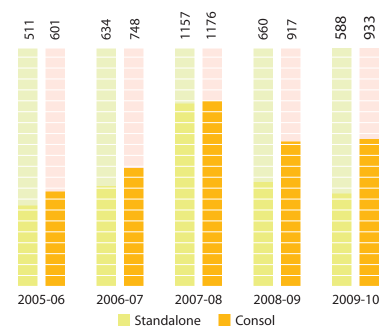


EBITDA*

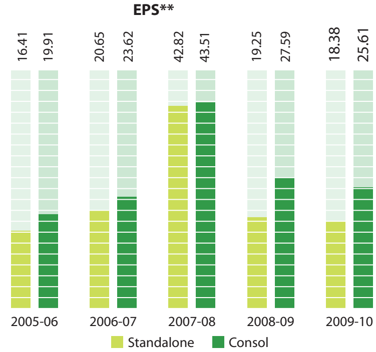
EBITDA Margin



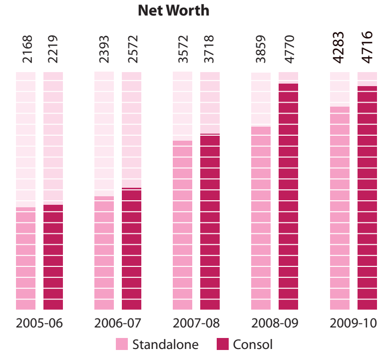
Profit before Tax**



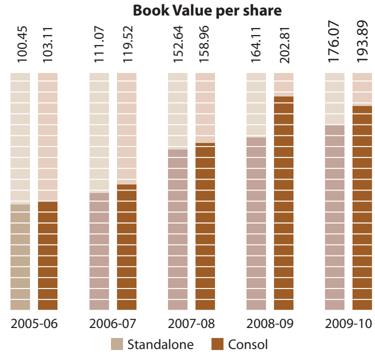
EPS**



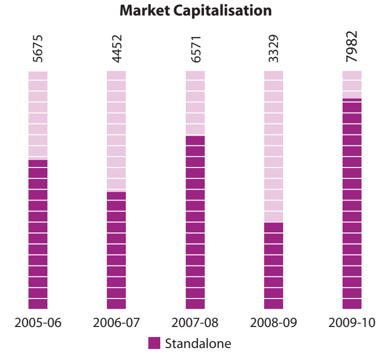
Net Worth



Book Value per share



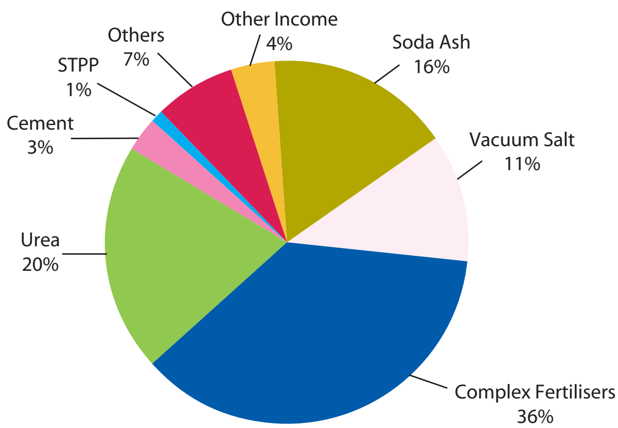
Market Capitalisation



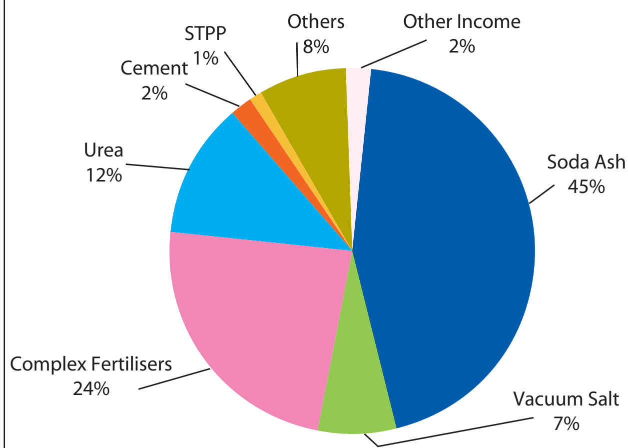
* EBITDA excludes other income, foreign exchange losses on borrowings (net), impairment losses, actuarial gains/losses for overseas pension liabilities and restructuring costs.

** 2007-08 figures includes Rs. 487 crores profit on sale of investments.

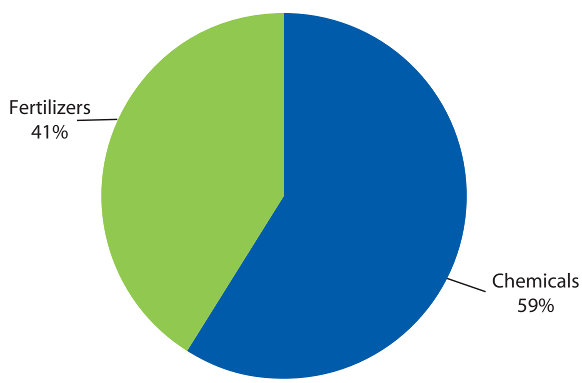
Revenue Breakup - Standalone



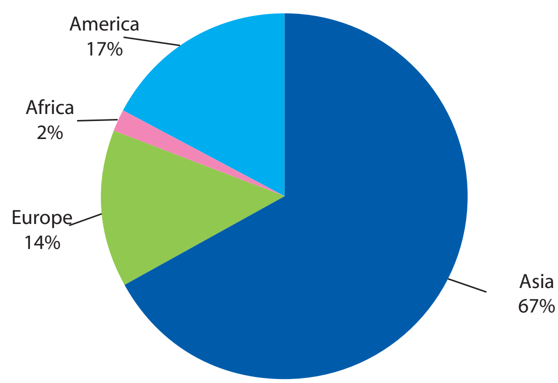
Revenue Breakup - Consolidated



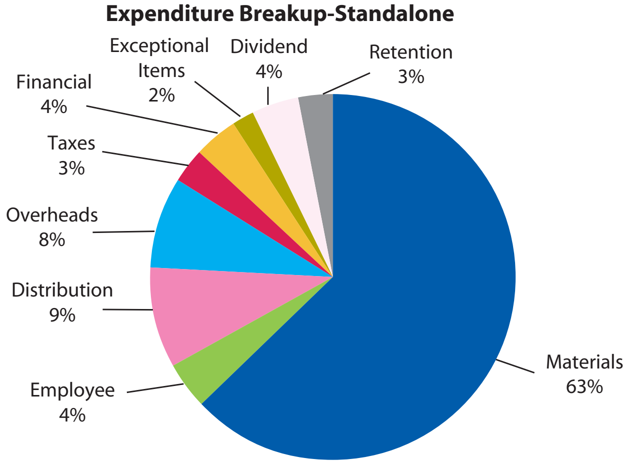
Revenue Breakup Consolidated - Chemicals & Fertilizers



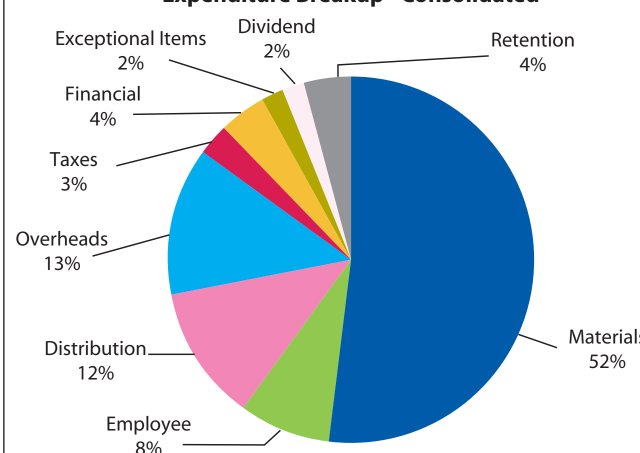
Geographical Revenue - Consolidated



Expenditure Breakup-Standalone



Expenditure Breakup - Consolidated



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

Eknath A. Kshirsagar

Dr. Y. S. P. Thorat

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
De Lyle Bloomquist	President (Global Chemicals)
B. Sudhakar	Chief Human Resources Officer
Dr. Murali Sastry	Chief Scientific Officer
Dr. Arup Basu	Chief Operating Officer (Chemicals - India)
Ashvini Hiran	Chief Operating Officer (Consumer Products)

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 Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai 400 001

Axis Trustee Services Limited
Maker Tower 'F', 6th Floor, Cuffe Parade, Colaba,
Mumbai 400 005

Solicitors

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

Auditors

Deloitte Haskins & Sells, Chartered Accountants
N. M. Raiji & Co., Chartered Accountants

Works

India	Overseas
Mithapur, Gujarat	Wyoming, USA
Babrala, Dist. Badaun, U.P.	Northwich, Cheshire, U.K.
Haldia, West Bengal	Magadi, Kenya

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

Contents

Annual General Meeting	:	August 09, 2010
Time	:	3.00 p.m.
Venue	:	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020

BOOK CLOSURE DATES
JULY 06, 2010 — JULY 26, 2010

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FIRST ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Monday, August 09, 2010 at 3.00 p.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following businesses: -

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010 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. Ratan N. Tata, who retires by rotation and is eligible for re-appointment.

4. To appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and is eligible for re-appointment.

5. To appoint a Director in place of Mr. Prasad R. Menon, who retires by rotation and is eligible for re-appointment.

6. To appoint auditors and fix their remuneration.

7. **APPOINTMENT OF DR. Y. S. P. THORAT AS A DIRECTOR**

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

   "**RESOLVED THAT** Dr. Y. S. P. Thorat , who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 8, 2010 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 as a Director of the Company liable to retire by rotation."

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under items 6 & 7 set out above is 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 06, 2010 to July 26, 2010, both days inclusive.**

5. The dividend, if declared at the Annual General Meeting, will be paid on or after August 10, 2010 to those persons or their mandates:

   (a) whose names appear as Beneficial Owners as at the end of the business hours on July 05, 2010 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 05, 2010 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.

Tata Chemicals Limited

6. **Nomination Facility:**

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

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

7. **National Electronic Clearing Service (NECS)**

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

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

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

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

9. **Unclaimed Dividends:**

   Transfer to General Revenue Account

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

   Office of the Registrar of Companies

   Central Government Office Building

   'A' Wing, Second floor,

   Next to Reserve Bank of India,

   CBD, Belapur 400 614

   Transfer to the Investor Education and Protection Fund

   Consequent upon amendment to Section 205A of the Companies Act, 1956 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, 2002 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, 2002 have been transferred to the Fund.

   It may be noted that the unpaid / unclaimed dividend for the financial year ended March 31, 2003 in respect of the Company is due for transfer to the Fund on July 17, 2010 and that of erstwhile Hind Lever Chemicals Limited, for the financial year ended December 31, 2003, is due for transfer to the Fund on August 12, 2010.

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, 2003 or any year thereafter is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same.

In respect of other matters pertaining to bank details, NECS mandates, 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 / Registrars 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.

10. **E-mail Address:**

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

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

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head- Legal

Mumbai
May 24, 2010

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 businesses mentioned under Item Nos. 6 & 7 of the accompanying Notice dated May 24, 2010.

Item No. 6:

The Shareholders at the meeting held on July 30, 2009, had appointed M/s. Deloitte Haskins & Sells and M/s. N. M. Raiji & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of the meeting held on July 30, 2009 till the conclusion of the ensuing Annual General Meeting for examining and auditing the Accounts of the Company for the Financial Year 2009-10.

M/s. N. M. Raiji & Co., Chartered Accountants, one of the Statutory Auditors, have informed the Company that they are not offering for re-appointment as the Satutory Auditors of the Company and hence statuory audit of the Company, commencing from Financial Year 1st April, 2010 be conducted by M/s. Deloitte Haskins & Sells, Chartered Accountants.

M/s. Deloitte Haskins & Sells, Chartered Accountants, being eligible, offer themselves for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the year 2010-11. The Members are requested to consider their appointment and authorise the Board to fix their remuneration. M/s. Deloitte Haskins & Sells, Chartered Accountants, have, under Section 224(1B) and Section 226 of the Companies Act, 1956, furnished certificates of their eligibility for the appointment.

None of the Directors is concerned or interested in Item No. 6 of the Notice.

Item No. 7:

Dr. Y. S. P. Thorat was appointed as an Additional Director by the Board of Directors of the Company, with effect from January 08, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956, Dr. Y. S. P. Thorat 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.

Dr. Y.S.P. Thorat holds a Doctorate in Economics and degrees in Political Science and Law. He served Reserve Bank of India since 1972 to 2003 at various capacities including as Executive Director. He has also served NABARD as Managing Director from 2004 and appointed as the Chairman of NABARD in 2006 and served the Institution in that capacity until November 2007. In addition to discharging the duties at NABARD, he was associated at the policy level with Vaidyanathan Committees on the Short Term & Long Term Cooperative Credit Structure as Member Secretary, and as Chairman of the Expert Groups on Credit Deposit Ratio and Investment Credit appointed by the Government of India (GOI) and Reserve Bank of India (RBI) respectively. He was also appointed Chairman, Expert Group on Sugar Policy constituted by the GOI in 2008. Presently, he is on the Boards of National Institute of Bank Management, D.Y.Patil University, Shradha Sahayog Properties & Finance Ltd., Khed Developers Ltd and also Chief Executive Officer of Rajiv Gandhi Charitable Trust.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Dr. Y. S. P. Thorat 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 Dr. Y. S. P. Thorat is concerned or interested in Item No. 7 of the Notice.

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head- Legal

Mumbai
May 24, 2010

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

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

Particulars	**Mr. Ratan N. Tata**	**Mr.Nusli N. Wadia**	**Mr. Prasad R. Menon**	**Dr. Y. S. P. Thorat**
Date of Birth	28.12.1937	15.02.1944	23.01.1946	11.11.1947
Date of Appointment	11.04.1983	26.06.1981	30.10.2006	08.01.2010
Qualifications	B.Sc, (Architecture) from Cornell University, U.S.A. Completed the Advanced Management Program conductedby Harvard University.	Educated in U.K	B.Tech (Chem) IIT, Kharagpur	Ph. D- Shivaji University, Degree in Political Science, Degree in Law
Expertise in specific functional areas	Eminent industrialist with wide business experience across variety of industries.	Eminent industrialist with rich business experience.	Wide experience in Chemicals, Agro-Chemicals, Paints and Fertilizer Industry	Wide experience in banking, rural credit co-operatives, micro finance.
Directorships in other Public Limited Companies*	Tata Sons Ltd. Tata Industries Ltd. Tata Steel Ltd. Tata Motors Ltd. The Indian Hotels Company Ltd. The Tata Power Company Ltd. Tata Tea Ltd. Tata Consultancy Services Ltd. Tata Teleservices Ltd. The Bombay Dyeing & Mfg. Company Ltd.	The Bombay Dyeing & Mfg. Company Ltd. Gherzi Eastern Ltd. The Bombay Burmah Trading Corp. Ltd. Britannia Industries Ltd. Tata Steel Ltd. Tata Motors Ltd.	The Tata Power Company Ltd. Tata Projects Ltd. Tata Industries Ltd. Tata Ceramics Ltd. Tata BP Solar India Ltd. Tata Industries Ltd Nelco Ltd. Af-Taab Investment Co.Ltd. North Delhi Power Ltd. Coastal Gujarat Power Ltd. Bhira Investments Ltd. Bhivpuri Investments Ltd.	Khed Developers Ltd. Shradha Sahayog Properties & Finance Ltd.
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders'/ Investors' Grievance Committee)	NIL	NIL	**Audit Committee** -Tata Industries Ltd	NIL
No. of shares held in the Company	28,695	NIL	NIL	NIL

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

Tata Chemicals Limited

DIRECTORS' REPORT

TO THE MEMBERS

OF TATA CHEMICALS LIMITED

The Directors hereby present their seventy first Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2010:

FINANCIAL RESULTS

Rupees in crores

Particulars	Standalone		Consolidated	
	2009-10	2008-09	**2009-10**	2008-09
Total Income	**5669.47**	8525.55	**9712.60**	12832.61
Profit before Depreciation, Impairment & Exceptional items	**883.60**	883.78	**1613.07**	1551.49
Less : Depreciation and Impairment	**187.19**	131.19	**481.68**	541.86
(Add)/ Less : Exceptional items	**108.28**	92.32	**198.49**	92.31
Profit before tax	**588.13**	660.27	**932.90**	917.32
Tax	**153.35**	208.22	**209.32**	157.51
Profit after tax	**434.78**	452.05	**723.58**	759.81
Minority Interest	**-**	-	**131.14**	111.71
Share of Profit in Associates	**-**	-	**13.47**	-
Profit Attributable to shareholders	**434.78**	452.05	**605.91**	648.10
Add:				
Balance in Profit and Loss Account	**1733.32**	1574.10	**2081.15**	1728.46
Amount available for Appropriation	**2168.10**	2026.15	**2687.06**	2376.56
Appropriations -				
(a) Proposed Dividend	**218.93**	211.65	**218.93**	211.65
(b) Tax on Dividend	**36.36**	35.97	**37.11**	35.97
(c) General Reserve	**43.48**	45.21	**53.58**	45.21
(d) Legal Reserve	**-**	-	**2.48**	2.58
(e) Balance Carried forward	**1869.33**	1733.32	**2374.96**	2081.15
	2168.10	2026.15	**2687.06**	2376.56

Exceptional items include notional exchange loss/ (gain) on restatement of long term borrowings and restructuring cost of overseas operations.

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. 255.29 crores (including Dividend Tax).

PERFORMANCE REVIEW

The year 2009-10 was a very challenging year for the Company, in view of the overall economic downturn during the year. The Project ADAPT (Action for Downturn Alleviation for Profit in Turbulent Times) initiated by the Company with objectives of conserving cash, EBITDA improvement and meeting debt covenants was highly successful and delivered its objectives.

Tata Chemicals Limited's (TCL or the Company) operation is organized 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. Performance review of these businesses is 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.1,307.95 crores compared to sales of Rs. 1,538.13 crores in the previous year. The year witnessed a drop of 12% in Gross Sales Realisation (GSR) of Soda Ash (GSR in current year Rs. 13,690/ MT compared to previous year Rs. 15,548/MT), due to downward price revisions caused mainly by Chinese imports. Despite the severe challenges on the global economic front, demand for soda ash grew at a robust 8% in India. Significant dumping of soda ash from China compelled the industry association to seek Government intervention as a result of which safeguard duty was imposed on imports from China. Sodium bicarbonate continued to experience robust demand and the year ended with record sales being achieved by TCL.

Soda Ash

Healthy growth of soda ash industry in FY2009-10 was driven by double digit growth of the detergent segment which is the predominant sector that uses soda ash in India. During the second half of the year, pipeline inventories in the glass industry were liquidated and demand began to pick up. The sector sent out mixed signals regarding future prospects; however, overall sentiment leaned towards positive.

While both prices and raw materials costs declined during the year, on balance, the soda ash industry had to reduce its prices more than the price corrections in their raw materials. We expect this situation to continue going forward, at least in the near term.

The Company's domestic production of soda ash for the year under review at 695,721 MT was marginally higher compared to the previous year. The Company achieved sales of 675,481 MT of soda ash during the year, which was 0.76% higher than the previous year.

Sodium Bicarbonate

During the year, the Company achieved the highest ever Sodium Bicarbonate production of 71,804 MT which was 13% higher than in the previous year. Sales at 71,071 MT were 11% higher than the previous year for a product which till now has been relatively insulated from the slowdown. In Financial Year 2010-11, TCL launched its Alkakarb®, branded bicarbonate in the Indian market, aimed at animal feed application. Over a period of time, as the domestic market matures and grows, the Company will introduce all the other brands in its portfolio in India produced in its state-of-the-art plant in the UK.

Cement

TCLs' cement plant was set up in 1993 to handle solid wastes generated as by-products of soda ash manufacture. The Company uses technology to separate solid effluents and process them into Ordinary Portland Cement (OPC) and Masonry Cement. During the year, the cement unit concentrated on establishing masonry cement in the local market in Gujarat. TCL is the only producer of masonry cement in India. Masonry cement is used for preparing bricklaying mortars used in home construction. Masonry cement production will enable the Company to convert its fly ash (generated in the power plant) into a useful building material. Production and sales of cement, including masonry cement, during the year is 453,901 MT and 448,685 MT respectively, as against 405,325 MT and 390,340 MT 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 gross sales of USD 371 million (Rs.1,759.55 crores). Despite the recession in the US and Canada, volumes and pricing to these markets were only down slightly at 1.62% and1.80%, respectively, compared to past year. Export volumes started the year at approximately half of historic levels due to the global economic recession and attempts by Chinese suppliers to increase market share. During the year, GCIP took advantage of its low global delivered cost position to recapture lost volume in all markets. As the global economy improved in the second half of the year, GCIP was well positioned to capture the increased export demand, thus returning to its pre-recession operating rate.

GCIP volumes during the year totaled 2,181,990 MT, 1.62% lower than the previous year total of 2,218,084 MT. Prices fell through the year but began to recover in spot markets, such as Asia, starting in the fourth quarter of the year.

1.1.2.2 Brunner Mond – Europe

Brunner Mond Europe achieved sales turnover of GBP 177.81million (Rs. 1,343.47 crores) registering a decline of 6.2% over the previous year. However, there is an increase in EBITDA by 13.3% as compared to previous year to a record GBP 24.76 million. This was achieved by better value management, reducing our costs with the closure of Delfzijl Plant and containment of fixed costs in the UK.

Soda Ash

Soda ash production in UK at 825,000 MT was 9% below the prior year record production level. This was largely due to accommodating the Delfzijl operation as negotiations for closure were carried out and in addition due to lack of demand. The significant price increases achieved in Europe during 2008-09 were reversed to a large extent in mainland Europe but only unwound a little in the UK during the past twelve months. Prices are lower going into 2010 -11 on the back of increased competition.

Sodium Bicarbonate

UK bicarbonate production was 85,700 MT from the two UK factories. This represented an increase in UK bicarbonate manufacture of 13% as a new plant was brought into operation during the year. Sales were also a record at just over 90,000 MT. The closure of Delfzijl shifted all demand onto the UK plants. Price and demand for sodium bicarbonate continues to demonstrate resilience with growing demand and increasing prices in a difficult environment.

1.1.2.3 Magadi Soda Company, Kenya.

The impact of the global economic downturn coupled with severe competition in its export markets resulted in total sales value dropping by 30 % from USD 130.9 million (Rs. 602.33 crores) to USD 91.81 million (Rs. 435 crores). This resulted in a lower EBITDA of USD 14.45 million largely due to lower sales revenue, high production costs and high depreciation costs associated with the new Premium Ash Plant (PAM). Similarly profit after tax also dropped from USD 0.56 million (Rs. 2.58 crores) to negative USD 9.64 million (Rs.- 45.72 crores).

Although the combined sales of both Standard Ash (SAM) and Premium Ash (PAM) declined only marginally by 1.5% from 463,000 MT to 456,000 MT, the major adverse impact on the performance of the Company was caused by significant reduction in soda ash prices in export markets due to a glut in availability of the product. This situation prevailed mainly in the first 3 quarters of the year. Profitability of the Company was greatly affected as a result of high fuel and electricity costs, further exacerbated by poor PAM plant utilization.

Going forward however, the Company is very focused on cost reduction and cash conservation measures as well as raising prices and volume of its products in the export markets.

1.2 CONSUMER PRODUCTS:

1.2.1 Salt and Related Products

Consumer Products demonstrated robust performance during the year 2009-10 by leveraging its distribution system and strong brand equity.

Iodized Salt production in Mithapur reached its highest ever level of 592,376 MT in 2009-10, up by 12% from 534,452 MT in 2008-09.

Overall sales grew by 13.35% from 664,523 MT in 2008-09 to 753,255 MT in 2009-10. Tata Salt grew by 10.90% in volumes from 490,025 MT in 2008-09 to 543,441 MT in 2009-10. I-Shakti registered a volume growth of 24.30% from 151,205 MT in 2008-09 to 187,949 MT in 2009-10. Amongst the major brands, I-Shakti has now become the most distributed brand after Tata Salt with a reach of 4.56 lacs retail outlets. The Company's market share of its salt portfolio has increased to 59% in the National Branded Salt segment, up from 57% in 2008-09.

I-Shakti Cooking soda sales showed an encouraging growth of 61.68% with sales of 623 MT in 2009-10 as compared to 385 MT in 2008-09.

Sales turnover of the business grew by 23.62% from Rs. 525.17 crores in 2008-09 to Rs. 649.22 crores in 2009-10.

Consumer Products continues its journey of innovation by new product development through salt variants, bi-carbonate based products and in other categories which are in various stages of development.

1.2.2 Water Purifier Business

With an objective to reduce the incidence of water borne diseases by making safe drinking water accessible to all, the Company during the year launched a nanotech water purifier which uses natural materials and cutting edge nanotechnology under the brand name ***"Tata Swach".*** The key component of the Tata Swach water purifier is its cartridge, the Tata Swach Bulb. This bulb runs on its unique patented TSRF technology, around which 14 patents have been filed so far.

The product has been launched in Maharashtra and Karnataka. Initial consumer feedback suggests Tata Swach has been adopted mostly by non-users, those who couldn't afford water purifiers earlier mainly due to affordability reasons. Despite being a lean season for water purifiers, the product has managed to grow the market and clocked significant volumes within 3 months.

2. FERTILISER SEGMENT

TCL's presence in Fertiliser Sector comprises of three business units – 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 a joint venture in Morocco for manufacture of Phosphoric Acid.

2.1 CROP NUTRITION

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. 3,543.68 crores during FY 2009-10.

During the year TCL continued its efforts of establishing itself in the deregulated crop nutrients market while continuing to maintain its position in the core fertiliser business. The business environment was further shored up with an announcement by the Government of India of policy shift away from product based subsidy to a nutrient based one effective from April 2010. The Nutrient Based Subsidy scheme is aimed at improving agricultural productivity, encouraging balanced use of fertilizers and enhancing customization to suit crop and soil requirements. The business expanded its area of operations to new domestic geographies like J & K and Maharashtra through its specialty fertilizer range of products.

In order to improve liquidity the business focused on conserving cash through operational initiative was launched across the length of the Business. The entire sale of bulk fertilizers was done on cash & carry basis with no discounts and the business also concentrated on improving internal efficiencies to further improve the cash flow with regard to submission and realization of subsidy claims.

Urea

At Babrala, post debottlenecking, the plant achieved the highest annual Urea production of 1,231,211 MT, higher by 210,520 MT compared to previous year, including 240,000 MT of neem coated Urea which was

21% higher than the previous year. TCL urea sales registered a growth of 15% in 2009-10. This helped the Company to increase the Urea market from 4% (previous year) to 5% in this year. The plant also achieved highest ever accident free Million Man hours of 11.46.The plant reduced its energy consumption level to 5.17 GCal/MT against 5.33 GCal/MT of the previous year.

DAP / NPK / SSP

The Haldia plant achieved a combined production of 675,996 MT of DAP, NPKs and SSP during the year 2009-10 against last year's production of 691,848 MT. The sales of DAP, NPKs and SSP were 704,036 MT against 705,217 MT last year. Sales of phosphatic fertilizer were fractionally lower by 0.16% than the previous year. Haldia site was awarded 4 Star rating (Score of 89%) by British Safety Council. Operations at Haldia were adversely affected by political turmoil in the industrial belt for the past 8 months. At the site there was strike for 34 days in the months of Feb-Mar 2010 due to contract labor unrest.

Imported Products (DAP / MOP)

India augments its domestic requirements by importing more than 25% of its requirement of finished fertiliser. In order to fulfill the requirements of key fertilizers for its customers, the Company also imported 248,722 MT which was 47% less than the previous year. This reduction in imports was prima facie due to delay by the Government of India in fixing the price of MOP and lack of clarity on subsidy. The Company was cautious in its approach in importing during the year.

Specialty Crop Nutrients and Micro-Nutrients

With the focus on expanding the Company's engagement with the Indian farmer, the Company continued to expand its offerings to include in addition to its range of specialty fertilizers of Calcium Nitrate, Zinc Sulphate, Bentonite Sulphur etc, new products like Boron foliar application, Zinc EDTA and Sulphate of Potash. Sales of specialty products grew by 56% to Rs. 125 crores in the year 2009-10. 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 the Company of agri-inputs and service solutions focused on improving farm income. The Company is evolving this into a partnership model that co-creates value with farmers. TKS outlets offer a variety of services and have become a trusted interface, providing a variety of farming solutions, such as advice on crops, information on weather and market prices, application services and farming practices, contract farming arrangements and market linkages for agricultural produce. Over 673 TKS outlets are operational in seven states in the Northern and Eastern regions of the country. 2009-10 has been a period of consolidation for the network, stabilizing the supply chain while significantly improving the value offered through and also improving the look of branded TKS outlets. The sales of Value Added Offerings (VAO) through the TKS grew to Rs. 122 crores which was 21% higher than previous year.

Several offerings from other Tata Group Companies viz. Rallis, Tata Steel and Tata Agrico are now made available through TKS outlets strengthening the TATA Brand presence in rural India. At the same time, this interface has improved engagement with end users and augmented our knowledge and understanding of the business. Deep insights into the issues and problems of rural India would be extremely helpful in charting out strategies for the future. This business achieved a turnover of Rs. 212 crores in 2009-10.

2.3 INDO MAROC PHOSPHORE S.A. (IMACID)

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

Overall performance of IMACID plant operation was satisfactory in the period April-2009 to March-2010. The cumulative production of Phosphoric acid in this period was 416,947 MT against 277,913 MT of the previous year. Comprehensive jobs have been planned out in the forthcoming plant turnaround in third quarter of 2010-11 to remove key weaknesses in the plant by replacing plant and machinery which have come to the end of their useful life or those equipments which are underperforming.

3. OTHERS (RALLIS INDIA LIMITED)

During the year Company has acquired 5,362,923 shares of Rallis India Limited (Rallis). By virtue of such acquisition, the shareholding of the Company in Rallis has gone up to 50.06% and thereby making Rallis as its subsidiary with effect from 9th November, 2009.

Rallis posted a sales turnover of Rs. 937 crores during the year registering a growth of 3% over the previous year figure of Rs. 911 crores. Profit before tax was higher by 42% at Rs. 153 crores with the highest ever net profit of Rs. 101.5 crores which is 41% growth over last year.

4. NEW BUSINESSES

4.1 KHET-SE AGRIPRODUCE INDIA PRIVATE LIMITED – Fresh Produce business

In January 2007, Khet-Se Agriproduce India Private Limited, (Khet-se) a 50:50 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, 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.

During the year Khet-se achieved a total distribution of 4077MT against 3660 MT of fresh produce valued at Rs. 7.17 crores against last year Rs. 3.70 crores. The year 2009-10 has been a positive and fruitful for Khet-Se in many areas, especially in development of sourcing expertise, creating a Banana brand and building exports experience for Grapes.

4.2. BIOFUELS

As a part of its Biofuel Research and Development Programme using non conventional raw materials, the Company has set-up a bio-ethanol test plant of 30 KLPD at Nanded, Maharashtra. The Company is now setting up second generation Biofuel Research and Development facilities in co-ordination with renowned Scientific bodies and universities.

SUBSIDIARIES & JOINT VENTURES

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. The Annual Accounts of these subsidiaries and related detailed information will be made available to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the Registered Office of the Company. The Annual Accounts of the said Subsidiaries will also be available for inspection, as above, at the Head Offices of the respective subsidiary companies.

The Company has increased its shareholding in Rallis India Limited to 50.06% during the year thereby making Rallis as its subsidiary with effect from 9th November, 2009.

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 which 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.

Tata Chemicals 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.
- Rallis India Limited

Joint Ventures:

Indo Maroc Phosphore S.A., (IMACID)

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.

Khet-se Agriproduce India Private Limited, (Khetse)

Khetse, 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. The details of the operations are dealt with in detail, elsewhere in this report.

JOil (Singapore) Pte. Ltd. (JOil),

JOil, a Jatropha seedling company based in Singapore in which the Company holds 33.78% stake. 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. Through this JV the Company has secured exclusive marketing rights for JOil's Jatropha seedlings in India and East Africa and a preferential price for seedlings it requires for its own cultivation of Jatropha.

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 the Joint-Venture.
- JOil (Singapore) Pte. Ltd. to the extent of 33.78% share in the Joint-Venture.
- Alcad to the extent of 50% share in the Joint-Venture.
- Kemex B. V. to extent of 49.99% share in the Joint-Venture.

FINANCE

During the year, the Company raised Unsecured Debentures for general corporate purpose with bullet repayment at the end of 10 years of Rs. 250 crores and repayments at the end of 2 years of Rs. 150 crores. The Company has also raised an Unsecured Loan (Loan against FCNR- (B)) of $ 25 million with bullet repayments at the end of 2 years.

During the year the Company and its stepdown UK subsidiary, Homefield Pvt UK Ltd have prepaid a part of the USPP notes of USD 50 million and consequently Homefield Pvt UK Ltd has raised a loan of USD 44 million which was backed by a Corporate Guarantee from Tata Chemicals Ltd.

The Foreign Currency Convertible Bonds (FCCB), issued in January 2005 amounting to USD 150 million, were converted to the extent of USD 42.756 million (previous year USD 6.2 million) during the year out of the total outstanding of USD 43.91 million. The balance of USD 1.15 million was paid on due date of 1st February, 2010.

During the year the balance of Fertilizer bonds of Face Value of Rs. 502.79 crores were sold realising a gain of Rs. 6.37 crores over the marked to market value of last year.

DIRECTORS

Dr. Y.S. P Thorat has been appointed as an Additional Director on the Board with effect from January 8, 2010. He holds a Doctorate in Economics and degrees in Political Science and Law and served Reserve Bank of India since 1972 to 2003 at various capacities including as Executive Director. He has also served NABARD as Managing Director from 2004 and appointed as the Chairman of NABARD in 2006 and served until November 2007. In accordance with the provisions of the Companies Act, 1956, resolution seeking approval of the members for his appointment has been incorporated in the Notice of the ensuing Annual General Meeting and the Explanatory Statement thereto.

During the year, Mr. Arun Nath Maira ceased to be a Director with effect from July 22, 2009 in view of his appointment on the Planning Commission. The Board wishes to place on record its appreciation for his valuable contribution during his association with the Company.

Mr. Ratan N. Tata, Mr. Nusli N. Wadia, Mr. Prasad R. Menon , 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.

INFORMATION TECHNOLOGY

During the year 2009-10 the Company conducted a Value Engineering exercise with SAP as our partner. This exercise was conducted across the Company to prepare a three year IT Road map as well as leverage the existing investments in SAP ECC 6.0. The Company launched a project to unify IT platform across TCL and its subsidiaries to exploit the advantages offered by a unified IT platform in our improving overall effectiveness and efficiency.

AWARDS AND RECOGNITIONS

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

- RC 14001- 2005 certification for Urea Business.
- TATA SALT 'Most Trusted Food Brand ' in Brand Equity Economic Times Survey 2009.
- Bombay Chamber Civic Awards 2008 09 for Sustainable Environmental Initiatives.
- Bombay Chamber 'Good Corporate Citizen Award 2008-09.
- ICIS Innovation award 2009 for "Best Innovation in Corporate and Social Responsibility":
- FAI Awards for overall performance of an operating Fertiliser Unit for SSP.
- Environmental Protection Award in the SSP fertilizer plants category.
- CII-ITC Sustainability Award.
- Tata Salt Superbrand Award.
- Gujarat Safety Council Award for TCL,Mithapur.
- 14 National Awards for excellence in Business Communications at PRCI,ABCI, IDMA,ABBY'S.

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

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies(Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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AUDITORS

M/s. Deloitte Haskins & Sells and M/S. N. M. Raiji & Co., Chartered Accountants, retire at the ensuing Annual General Meeting.

M/S. N. M. Raiji & Co., Chartered Accountants, have informed the Company that they are not offering for re-appointment as the Auditors of the Company. Therefore, it is proposed that the statutory audit of the Company commencing from Financial Year 1st April, 2010 be conducted by M/s. Deloitte Haskins & Sells, Chartered Accountants.

M/s. Deloitte Haskins & Sells, Chartered Accountants, being eligible, offer themselves for reappointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the year 2010-11. The members are requested to consider their appointment and authorize the Board of Directors to fix their remuneration. M/s. Deloitte Haskins & Sells, Chartered Accountants, 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 judgements 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, 2010 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 the 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: May 24, 2010

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 0.8 MW windmill.
- Reduction of lime in grit through reduction in classifier RPM.
- Change in hydrodynamics of Prelimer to reduce the steam consumption in the distillers.
- Replacement of stack cooler of ammonia still to reduce the heat load across the stack cooler.
- Optimization of seawater consumption in the gas washers of limekiln by replacing inefficient seawater pump with high efficient pump.
- Optimization of 7 bar plant air usage by arresting leakages in the pipelines, bag filters & using standard orifices in Macawbers.
- Remodeling of Advanced Process Controller (APC) in Ammonia Plant after debottlenecking gave an overall energy saving of 0.009 GCal/MT of Urea.
- Remodeling of Advanced Process Controller (APC) in Urea Plant after debottlenecking gave an overall energy saving of 0.007 GCal/MT of Urea.
- Major inspection (MI) of GT-1 has been carried out, resulted into overall output increased by 3.3% and overall heat rate reduce by 2.05%.
- Cold insulation on synthesis gas line from chiller to synthesis gas compressor suction to improve Synthesis Compressor Turbine efficiency.
- Hydrolyser pre heater (E-19 A/B/C) back flushing vent stack in Urea plant modified for ensuring effective flushing to improve efficiency.
- Predecomposer steam condensate separator (MV-50) condensate outlet connected directly to steam condensate tank (V-02) in Urea plant to improve Medium Pressure Decomposer (E-10) efficiency.
- Heat Recovery Unit (HRU) capacity increased from 103 T/Hr to 105 T/Hr in Captive Power plant (CPP).
- Mechanical erection of CPP completed and Plant commissioned, under stabilazation.
- Cooling Tower of SAP 2 upgraded.

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

- Installation of PHE for preheating boiler feed water.
- Installation of PHE for DA water cooling for the compressors.
- Installation of bicarb crystallizer for recovering bicarb from mother liquor.
- Replacement of inefficient CO2 compressor with efficient compressor.
- Replacement of inefficient steam tube dryer with efficient dryer.
- Prevacuum separator (MV-29) internal modification to be done to reduce steam consumption in Urea plant.
- Existing Titanium Urea Stripper replacement to be done with Bi-metallic Urea Stripper in 11 & 21-Urea Stream to reduce steam consumption in Urea plant.
- Scheme for better utilization of steam from SAP 1 Plant.
- Cold Ammonia line to Horton Sphere to reduce power consumption.

(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 consumption of steam in soda ash.
- Reduction in specific consumption of steam in salt.
- Reduction in green house gas emission.
- Improving energy efficiency of Ammonia Plant by reducing steam consumption.
- Improving energy efficiency of O&U by reducing fuel consumption.
- Improving energy efficiency of Urea Plant by reducing steam consumption.
- Reduction in purchase of electricity.

Tata Chemicals Limited

(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 2009-2010	Previous Year 2008-2009
1 ELECTRICITY		
(a) Purchased		
Units (Kwh)	**4,13,76,845**	4,62,85,196
Total Amount (Rs. Crores)	**19.64**	22.26
Avg. Rate (Rs./Kwh)	**4.75**	4.81
(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
Cost per Unit (Rs./Kwh)	-	20.50
(iii) Through Steam Turbine/Generator Unit (Mwh)	**4,39,192**	4,14,913
Steam produced (Tonnes)	**45,25,372**	43,68,070
Total Value of Electricity and Steam produced (Rs. Crores)	**251.41**	265.56
(iv) Through Gas Turbine		
Units produced (MWh)	**1,77,515.00**	1,53,503.00
Steam produced (Tonnes)	**12,64,928.87**	12,39,476.00
Total Value of Electricity and Steam produced (Rs. Crores)	**76.27**	176.85
2 Coal (specify quality and where used) (Mostly imported Coal received from various sources and " A" Grade Lignite are used in Boilers)		
Quantity (Tonnes)	**5,89,458**	6,30,311
Total Cost (Rs. Crores)	**238.97**	251.13
Average Rate (Rs./Tonne)	**4,054.10**	3,984.30
3 Natural Gas		
Purchased (SCM)	**24,05,17,785.00**	16,63,75,806.00
Total Cost (Rs. Crores)	**111.97**	77.72
Average Cost (Rs./SCM)	**4.66**	4.67
4 RLNG		
Purchased (SCM)	**2,20,03,596.00**	61,21,436.00
Total Cost (Rs. Crores)	**28.39**	6.94
Average Cost (Rs./SCM)	**12.90**	11.33
5 Naphtha		
Purchased (KL)	**3,867.57**	82,734.21
Total Cost (Rs. Crores)	**6.83**	221.94
Average Cost (Rs./KL)	**17,655.96**	26,825.12
6 Furnace Oil		
Purchased(KL)	**3,115.00**	1,717.00
Total Cost (Rs. Crores)	**8.00**	5.00
Average Cost (Rs./KL)	**25,669..00**	31,265.00
7 HSD		
Purchased(KL)	**412.00**	110.00
Total Cost (Rs. Crores)	**1.40**	0.38
Average Rate(Rs./KL)	**33,902.00**	34,215.00

CONSUMPTION PER UNIT OF PRODUCTION

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2009-2010	Previous year 2008-2009	**Current Year 2009-2010**	Previous year 2008-2009
Soda Ash Light	**165.63**	161.67	**3.60**	3.60
Sodium Bicarbonate	**54.39**	48.34	**0.75**	0.75
Caustic Soda Evaporated	**2914.79**	2955.39	**2.60**	2.60
Vacuum Evaporated Salt	**59.65**	58.80	**2.09**	2.09
Cement	**145.39**	148.59	—	—
Urea	**60.20**	61.39	**0.95**	0.98
Ammonia	**147.54**	151.92	**0.13**	0.40
Sulphuric Acid	**58.00**	47.00	—	—
Phosphoric Acid	**468.00**	192.00	**0.221**	—
Sodium Tripolyphosphate	**413.00**	277.00	**1.35**	2.12
Diammonium Phosphate	**47.00**	45.00	**0.07**	0.08

CONSUMPTION PER UNIT OF PRODUCTION (contd.)

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2009-2010	Previous year 2008-2009	**Current Year 2009-2010**	Previous year 2008-2009
NPK Complexes	**32.00**	29.00	**0.04**	0.05
Single Super Phosphate	**27.00**	23.00	—	—
Sulphonic Acid	**—**	206.00	—	—

	Furnace Oil Ltr/Tonne	
	2009-2010	2008-2009
Sodium Tripolyphosphate	**166**	149
Diammonium Phosphate	**1.04**	1
NPK Complexes	**2.51**	2

B. TECHNOLOGY ABSORPTION

Form B

Research and Development (R&D)

1 **Specific areas in which R&D is carried out by the Company**
- Optimization of coke size & limestone size in limekiln.
- Optimization of use of sodium sulphide in Absorber.
- Optimization of carbonating tower decomposition efficiency by maintaining brine concentration, cooling water temperature, CO2 concentration.
- Conversion of soda ash settling ponds into green belts.
- Reduction in ammonia losses in the system.
- Addition of sorbitol to reduce the calcium content in the feed brine.
- Installation of new condenser in salt plant to increase the vacuum in the evaporators.

2. **Benefits derived as a result of above R & D**
- Decrease in specific consumption of the raw materials & utilities of soda ash.

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.
- Installation of additional 0.8 MW wind mill.
- Installation of Bio gas plant to utilize the food waste.

	2009-2010 Rs. Crores	2008-2009 Rs. Crores
4. **Expenditure on R & D**		
(a) Capital	**13.26**	2.74
(b) Recurring	**14.07**	12.10
(c) Total	**27.33**	14.84
(d) Total R & D expenditure as a percentage of Total Turnover	**0.50%**	0.17%
Technology Absorption, Adaptation, & Innovation		
1. Efforts made towards technology absorption, adaptation & innovation	2	1
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 2009-2010 Rs. Crores	Previous year 2008-2009 Rs. Crores
1. Foreign exchange earned		
(a) Export of goods on FOB basis	**89.63**	92.75
(b) Interest Income	**1.14**	16.66
(c) Dividend	**24.04**	23.71
2. Outgo of foreign exchange		
Value of imports (CIF)		
(a) Raw materials and fuels	**1712.17**	4741.43
(b) Stores, components and spares	**9.11**	19.78
(c) Capital goods	**35.58**	79.04
3. Expenditure in foreign currencies	**150.18**	178.03
4. Remittance of dividends	**21.80**	26.62

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MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL BUSINESS ENVIRONMENT

The global economy in 2010 is showing signs of gradual recovery from the recession triggered by the bursting of the financial bubble in late 2008. Slow recovery began in late 2009 and carried on into 2010. A wide range of policy interventions have supported demand and reduced uncertainty and systemic risk in financial markets. Industrial production, trade and commodities have recovered substantially from lows reached in 2009. Nevertheless, international metal, oil and food prices continue to be at below their pre-crisis levels with a resetting of demand at lower levels. The recovery, therefore, is still tentative and will rely on sustained and coordinated efforts by governments and institutions in the near future.

Although the US and EU economies declined by 2.4% and 4.1% respectively in 2009 (IMF), a stimulus led recovery is under way. Substantial macroeconomic stimulus has supported these economies in the face of weak private demand, large current account deficits and domestic imbalances. The slowdown in global activity also affected developing countries due to a sudden cut in investment and drop in consumer durable demand. Developing economies grew by 2.4% in 2009, compared to growth of 6.1% in 2008. Overall, the IMF estimates that the global economy shrunk by 0.6% in 2009.

While Asian economies were hit strongly in late 2008 by the recession, recovery was rapid. China and India were the bedrock of this recovery, the former estimated to have grown at 8.7% in 2009. The Indian economy grew by 7.2% in 2009-10 (as per advanced estimates) supported by an 8.5% growth in non-agri GDP and better than expected performance by agri-GDP that is expected to fall by less than 1% instead of the earlier estimates of 2% in the wake of a poor monsoon. Skilful macro-economic management has meanwhile helped in limiting the impact of the global recessionary environment on the domestic economy.

Changes in Fundamentals and Key Assumptions

Notwithstanding coordinated actions to counter the effects of slowdown in economic activity, some structural weaknesses persist. The banking system from which the crisis originated continues to be weak even though it is recovering. Large support programs by governments have resulted in significant fiscal deficits and inflationary pressures in their wake. There are also concerns over fiscal health of economies in the Euro area as highlighted in the case of Greece.

At the country level, historically high unemployment levels will take time to return to normal in tandem with gradual recovery. At the same time the recovery which has till now been supported by public expenditure will need significant improvement in consumption in order to sustain itself in the second half of 2010 and beyond. On the domestic front, key challenges include the ability to ramp up infrastructure to support demand as well as maintaining price stability especially arising from supply constraints restricting farm sector output growth.

The way these fundamentals shape up in the near to medium term will therefore determine the course of the economy in the coming years.

Outlook for the Global Economy

The overall strength of the recovery and its durability will depend on the extent to which household and business sector demand strengthens over the next few quarters. While it is early to estimate the broad direction of the economy in the next two years, overcapacity, high unemployment and inflationary pressures are likely to persist in the near future as a result of the widespread nature of the recent recession. A base case scenario by the IMF projects global growth at 4.2% in 2010 and 4.3% in 2011 supported by ~6% growth in developing countries.

While the outlook for the Indian economy depends on several variables, chiefly the monsoon this year and the consequent performance of the agri-sector, the Economic Advisory Council to the Prime Minister has projected the economy to grow by 8.2% and 9% for 2009-10 and 2010-11 respectively assuming a normal monsoon and therefore a bounce back in agri-GDP growth.

TATA CHEMICALS' BUSINESS UNITS AND GROWTH STRATEGY

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

TCL has its manufacturing facilities across four continents. With manufacturing facilities in India, UK, Kenya and USA, TCL is the world's most geographically diversified soda ash company with almost two-thirds of capacity comprising natural soda ash giving it global competitive advantage. TCL is also the fourth largest manufacturer of sodium bicarbonate in the world. Our nitrogenous fertilizer plant at Babrala is the country's most energy efficient fertilizer unit. Phosphatic fertilizers are manufactured at Haldia.

In the industrial chemicals business, the focus is on defending share in the soda ash market with simultaneous efforts towards greater value extraction from our assets. While demand and prices have shown an upward trend in 2010, overall sentiment remains cautious and we continue our efforts towards improving the efficiency of our operating sites. During the year, our North American operations competed aggressively with Chinese material while we defended our positions in the Indian and European markets. Operations at Delfzijl, Netherlands were discontinued with a view on long-term sustainability of our business.

Within the crop nutrition and agri-business, the urea business achieved record sales along with continuing improvement in operational efficiency. We were able to maintain phosphatics sales volumes at last year's levels despite operations being adversely affected by disturbances in Haldia. Our agri-business initiative Tata Kisan Sansar continues to expand into new geographies increasing its footprint to 673 stores, up from 580 last year. Besides continued progress in the above, TCL is poised to start production at its pioneering customized fertilizer plant at Babrala this year. Also in 2009, TCL acquired controlling stake (50.06%) in Rallis India Ltd., which is a leading player in the crop protection business, thereby strengthening our basket of offerings to the farmer. Overall, TCL intends to increase its presence in the Indian farm while continuing efforts to secure critical inputs for the fertilizer business.

On the consumer products front, TCL continues to leverage its strong brand equity and distribution network in the salt business. Tata Salt regained the No. 1 Most Trusted Food Brand label in India. I-Shakti, launched in 2007-08 is already close to becoming the second largest national packaged salt brand in the country. Overall our brands achieved a market share of over 59% among national salt brands. During the year, TCL also launched its latest innovative offering, the low cost water purifier TATA Swach, based on a new technology developed with the support of TCL Innovation Center.

INORGANIC CHEMICALS SEGMENT

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

Industrial Chemicals

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

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

In FY2009-10, global soda ash capacity increased by 7% to 61 million MT with the growth almost entirely occurring in China. However, with demand shrinking by about 7% during the year, global oversupply was further exacerbated. The economic downturn affected developed economies in particular. The US domestic market experienced a 10% demand destruction combined with 18% reduction in output, Russian output reduced by about 17% with some units operating at 50% capacity; demand in South America decreased by around 4% and Western Europe witnessed a 5 million MT reduction in output. China continues to be the key player in the industry as it accounts for major share of global capacity as well as consumption and hence has a strong influence on prices in the soda ash market.

Soda ash is used in several sectors such as detergents, flat glass (used for construction and automobiles) and glass containers. The USA, Europe and Asia account for about 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.

In FY2009-10, reduction in demand sent prices downward; however as raw material costs also witnessed a simultaneous reduction, the overall impact of price erosion on the bottom line was somewhat mitigated. The second half of FY10 began to generate weak signals of revival and if this trend continues and there are no exceptional adverse events, in FY11, demand may begin to move up faster.

While it could take another full year before demand picks up in earnest in developed economies, the focus of growth has shifted to developing economies i.e. China, India, Middle East and South America. Soda ash demand in these markets is expected to be driven by robust growth in auto as well as construction sectors.

Within India, the effects of the economic crisis were not as severe as elsewhere. Domestic demand for soda ash grew by about 8%. However, during the first half of the year, the India market attracted unprecedented dumping of soda ash from China. This led to the industry association engaging with the Government of India, which, after rigorous investigations, imposed a safeguard duty on imports of soda ash from China. While in most economies, glass is the major end use sector for soda, in India detergents are the largest consuming sector. This phenomenon was responsible for the robust demand growth since the detergent sector witnessed a strong growth rate. TCL's strong relationships helped consolidate its position with key customers and channel partners. Internal initiatives for quality improvements derived from a deep understanding of customer needs continued with information technology driven tools and platforms increasingly being used to provide step improvements in customer service levels especially in the critical areas of supply chain and commercial matters.

While prices and volumes have come under strong pressure in the downturn, TCL has proactively taken steps to counter its adverse effect through an enterprise-wide cost reduction initiative. This initiative was implemented on a war footing and has helped compress costs, and generate cash across the organization.

Sodium Bicarbonate

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

In Europe, our sodium bicarbonate brands, Briskarb® and Alkakarb®, have wide market acceptance and an established position. In FY10, sales of bicarb from UK rose by 17%. While overall sales to Europe have decreased with closure of the plant in Netherlands, TCL continues to make efforts to maintain its share in the growing market. In The Indian operations produced and sold a record tonnage of sodium bicarbonate in FY10. TCL anticipates significant growth in demand for this product over the next few years in India. To meet this growing demand TCL is augmenting its capacity at Mithapur by about 50% in the first phase. In FY10, TCL also launched its Alkakarb® branded bicarbonate in the India market, aimed at animal feed application. Over a period of time, as the domestic market matures and grows, TCL will introduce other brands in its portfolio in India.

Cement

TCLs' cement plant was set up in 1993 to handle solid wastes generated as by-products of soda ash manufacture. The Company uses technology to separate solid effluents and process them into Ordinary Portland Cement (OPC) and Masonry Cement. In FY10, the cement unit concentrated on establishing masonry cement in the local market in Gujarat. TCL is the only producer of masonry cement in India. Masonry cements are used for preparing bricklaying mortars, used in home construction. Masonry cement will enable TCL to convert its fly ash (generated in the power plant) into a useful building material. In FY10, TCL produced 453,901 MT of cement including masonry cement representing significant increase over the previous year.

Consumer Products

Consumer products continued to grow in 2009-10 leveraging brand equity of TATA Salt and a strong distribution system. While continuing its leadership position in packaged salt market, Tata Salt regained the status of being the No. 1 Most Trusted Food Brand in India. Tata Salt has now won this accolade for six out of the last seven years thus reflecting the trust households place in it. I-Shakti, which was rolled out nationally in 2007-08 is now close to becoming second largest packaged salt brand after Tata Salt. 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. Tata Salt Lite 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. All the brands continued to grow and together achieved a market share of over 59 % among the national salt brands.

During the year TCL took steps to increase salt production at its Mithapur plant through debottlenecking to further boost the volumes available for sale. Simultaneously the business also worked on improving its distribution reach and getting all its packing centers HACCP certified. Steps have been taken to set up additional capacity for solar refined salt to meet the growing demand for I-Shakti. I-Shakti brand has now been extended to cooking soda to boost awareness and to create I-Shakti portfolio of products.

Water Purifier

TCL unveiled the Tata Swach water purifier in December 2009. Tata Swach is a household water purification system that does not require electricity and uses natural materials as well as cutting edge nanotechnology. It aims to address the problem of water borne diseases like diarrhoea that are the leading cause of deaths in children across the globe. In line with the aim of providing 'Living Essentials', Tata Swach is an attempt to provide health and wellness to the consumers.

Tata Swach is one of the world's lowest cost purifiers, providing safe drinking water at 10 paise per liter (approx 0.22 cents per liter). Fourteen patents have been filed so far for the technology used by it. The product has been launched in Maharashtra and Karnataka. Initial consumer feedback suggests Tata Swach has been adopted enthusiastically by non-users, those who couldn't afford water purifiers earlier due to limited affordability. The product has shown healthy sales in the first three months of launch.

Key components of Tata Swach are being produced at TCL's manufacturing facility at Haldia which has a production capacity of 1 million units per annum. It is planned to increase the capacity at the existing plant as well as set up additional plants. The Water Purification business will be rolled out nationwide and will simultaneously develop the next line of products through various technology developments.

FERTILISER SEGMENT

Globally, while much of the developed world grappled with recession, economies of many developing countries continued to grow in the year 2009-10. With this growth, a new middle class is emerging creating demand for healthier foods and protein-rich diet of Meat & Poultry as well as lifestyle changes which impact other agri commodities e.g. fibre for clothing and energy through bio fuels. In India, for example, 70% of additional earnings would go towards spend on food. There are 75 million more people to feed in the world each year. These factors are continually increasing the pressure on the world farmers to grow more grain and oilseeds leading to more demand of nutrients, seeds and efficient irrigation mechanism. India would remain one of the key drivers for growth of nutrients demand in the world. Presently, India consumes 50 MMT (product) or 25 MMT (nutrient) of fertiliser. Domestic capacities have, however, remained stagnant during the past decade thereby leading to 35% of total demand being met through imports.

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In India, overall farm sector is characterized by low GDP growth, rural incomes have shown a steady increase and forecast to grow more rapidly as a result of higher Minimum Support Price (MSP) and government schemes like the National Rural Employment Guarantee Scheme (NREGS) and loan waiver. Deteriorating soil health and declining nutrient use efficiency has resulted in low farm productivity. A significant shift in cropping pattern towards horticultural & cash crops, driven by urban demand for quality fruits & vegetables, has been witnessed. Emerging trends like urbanization, water shortage, development of farmer interest groups, growth in employment in newer urban centres is resulting in significant opportunities for organizations like TCL that are well connected with the rural economy for making interventions in productivity augmentation through crop production & crop care, mechanization of farming, water management and possibly in the rapidly growing food distribution and processing value chain.

The decision of the Government of India to decontrol the Phosphatic (P) and Potassic (K) fertilizer, implementing the Nutrient Based Subsidy (NBS) for "P" and "K" fertilizer and additional subsidy for fortified and micro nutrients (Boron- Bn and Zinc- Zn) effective from 1st April 2010 is a welcome step. The NBS would help in improving agricultural productivity through use of soil and crop specific fertilizer products and would invite new investment in customized and in existing bulk nutrients.

Crop Nutrition

During the year the business continued its efforts from the previous years of establishing itself in the new and emerging crop nutrients market while continuing to maintain its position in the core fertiliser business. The business environment was also further shored up by announcement by the Government of India of policy shift way from product based subsidy to a nutrient based one effective from April 2010. The Nutrients Based Subsidy scheme is aimed at improving agricultural productivity by encouraging balanced use of fertilizers and customization to suit crop and soil requirements.

A number of initiatives were taken during the year for further enhancing customer orientation. The business introduced customer circles as part of Customer Value Management to enhance its engagement with customers. Mobile-Kheti pilot, an information service through mobile phones was introduced for farmers and is now in the commercialization stage. Soil testing facilities were also upgraded by adding micro nutrient analysis to the range of analyses offered. These were supported by development of a Ready Reckoner for Nutrient Recommendation in association with Center for Agri Solution & Technology (CAT) for different crops.

The business focused on conserving cash and an aggressive cash conservation initiative was launched. The entire sale of bulk fertilizers was done on cash & carry basis with no discounts, related to the above effort the business also concentrated on improving internal efficiencies to further improve the cash flow with regard to submission and realization of subsidy claims.

Urea

Urea sales of 12.2 lakh tonnes in a calendar year were the highest ever achieved, higher by 1.6 lakh tonnes compared to previous year. TCL's urea manufacturing facility at Babrala performed exceptionally well in FY10. With focus on safety the plant achieved highest ever accident free 11.46 Million Man hours. Post debottlenecking, Urea production was also the highest ever at 12.3 lakh tonnes, higher by 2.1 lakh tonnes compared to last year. The plant also produced 2.4 lakh tonnes of neem coated Urea which helps reduce nitrogen losses and is beneficial to the farmer – the product was well received in the market. The plant also recorded significantly improved energy consumption levels over previous year.

DAP, NPK and SSP

The operations at Haldia were adversely affected by political turmoil in the industrial belt for the past 6-8 months. At the site there was strike for 34 days in the months of Feb-Mar 2010 due to contract labor unrest. This impacted the production of DAP, Complex fertilisers and SSP. In spite of this problem production of 675,996 MT was only marginally lower by 2.30% compared to the previous year. Sales of these products from Haldia were 704,036 MT, fractionally lower by 0.16% compared to the previous year. On the safety front, Haldia site was awarded 4 Star rating (Score of 89%) by British Safety Council.

Tata Kisan Sansar

Tata Kisan Sansar (TKS) is a service offering from Tata Chemicals of agri-inputs and service solutions focused on improving farm income. TCL is evolving this into a partnership model that co-creates value with farmers. TKS outlets offer a variety of services and have become a trusted interface, providing a variety of farming solutions such as advice on crops, information on weather and market prices, application services, contract farming arrangements and market linkage for agricultural produce.

In 2009-10, the sales of Value Added Offerings (VAO) from TKS grew to Rs. 122 crores which was 21% higher than previous year. TKS Store brands contributed 59% of the total VAO revenue. As a part of product delivery, six new products were taken through tolling route that accrued revenue of Rs. 6.9 crores. Looking at a growing seed market, steps were taken to firm up our presence in seeds segment. Two varieties, one each of Millet and Corn from Pioneer seeds were taken for exclusive distribution through TKS network. Services were given a thrust in 2009-10 by commercialization of Foliar Nutrition Services (FNS) and pilot on Plant Protection Services (PPS). 14,000 acres were served under the application services above.

The TKS network in current geographies was strengthened from 580 to 673. The TKS concept was also expanded beyond the current geography and the concept was launched in Maharashtra. New TKSs contributed 17% of the total revenue. As part of its Agri Business Innovation Model (AGRIM) rural innovation endeavor, the business facilitated formation of eight farmer producer companies. These producer companies were set up with the objective of helping farmers improve productivity and commercialize agri production and also to a large extent solve supply chain problems of aggregation of produce.

Specialty Nutrients

TKS expanded its area of operations to new geographies of Rajasthan, M.P. and J&K solely with its Specialty product offerings such as calcium nitrate and zinc sulphate. The business crossed the Rs. 100 crores mark and achieved revenues of Rs. 125 crores a growth of 56% over the previous year.

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

The year 2009-10 was fruitful for Khet-Se in many areas, especially in the development of sourcing expertise, creating a Banana brand, and building exports experience for Grapes. Khet-Se has been able to create relationships with farmers in the Akluj area for procurement of Bananas. Better quality bananas have resulted in Khet-Se getting a 40% premium in the market place. New channel partners were explored and added to traditional existing ones to enhance product presence. Special Banana Days for consumers were organized to bring about awareness about quality and health benefits associated with the Khet-Se banana. During the current year Khet-Se has exported 528 MT of grapes to Europe. Exporting Bananas to the Middle East and importing Apples are the two new areas being focused on.

NEW PROJECTS:

Customized Fertilizers

In line with its objective and spurred on by the fillip it received in the form of the NBS scheme, the commissioning of 1.32 Lakh MT capacity Customized Fertilizer plant at Babrala is poised to proceed as per schedule and production is expected by the end of September 2010. The process of designing Customized Fertilizer formula was developed and validated and customized fertilizer foliar application was also successfully commercialized during the year.

Babrala Capacity Doubling:

New Import Parity Pricing (IPP) based policy with a floor and ceiling price and gas utilization policy added impetus to undertake doubling the capacity of the Babrala plant. In year 2008-09, the proposed expansion of the plant received clearance from Ministry of Environment and Forests. Discussions are underway with various technology companies for technology selection and for selection of Engineering, Procurement, Construction management contractors. Company will carry out studies in a phased manner so that capital exposure is minimized till such time modifications are announced under the urea expansion policy of the Government. Company is also actively engaged with Government of India to secure gas supplies for the project. Gas supply arrangement is critical for the investment to fructify.

RALLIS

In 2009, TCL acquired controlling stake (50.06%) in Rallis India Ltd., which is a leading player in the crop protection business, thereby strengthening our basket of offerings to the farmer.

Globally the crop protection industry did not have a good year in 2009. The overall global market dropped by 6.5%, to come down to USD 37.8 billion. This was after an excellent year in 2008, when the industry had grown by over 21%. Most multinational companies registered a drop in their sales globally. Europe had the largest drop, followed by NAFTA and LATAM.

The Indian pesticide industry, however, is estimated to have grown by 10% during the year. Kharif season was severely hit due to poor monsoon. Paddy acreage and yield have been impacted. Cotton was relatively pest free. Pulses, particularly red gram saw a higher usage of new chemistry insecticides. Rabi season was characterized by low pest and disease occurrence in key crops, especially paddy. Lower water levels in Godavari basin led to an unprecedented drop in acreages under paddy in Andhra Pradesh during Rabi. Overall, Fungicides have grown at a faster rate propelled by higher usage of new molecules in grape, chilli and potato. Herbicides category continued their growth path.

Rallis' Crop Protection Chemicals business performed well overall, growing sales by 3% and achieving its highest operational profits ever in a difficult year. The Domestic Formulations and Institutional businesses did well in particular, growing by 21% and 31% over last year respectively. While International Business was affected adversely due to economic conditions, the division continued its focus on sustainable business for the long term through exploring new contract manufacturing opportunities and increasing the base of registration led sales.

Biofuels

Globally, the bio-fuels industry went through a rough patch during 2008 amid food versus fuel debates, and declining crude oil prices. However, in 2009, the bio-fuels industry showed a substantial improvement. Globally there was a year-on-year increase in bio-fuels consumption. Recovery in crude oil prices and correction in grain prices also helped in recovery of bio-fuels market. Blending Mandates were issued in EU and USA. Due to a bumper crop of corn, China emerged as a major supplier of bio ethanol. Research and development focus shifted towards cellulosic bio ethanol.

The Company's bio ethanol demonstration plant at Nanded has proved technical viability of bio ethanol production based on sweet sorghum. As focus shifts towards second-generation bio-fuels, TCL plans to utilize the Nanded facility as a pilot plant for R&D of cellulose-based bio ethanol and bio butanol.

The Company has focused its field research on Jatropha at four multi-location trial sites. JOil saplings based on tissue culture propagation of Jatropha were planted at these multi-location sites and the results are very encouraging. The Company is exploring marketing opportunities for large-scale plantations of JOil saplings with oil marketing companies and state governments.

ANALYSIS OF FINANCIAL PERFORMANCE

Financial Analysis of Tata Chemicals Limited (Standalone) – Year ended 31st March, 2010

1. Net Sales/Income from Operations:

Rs. in crore

	FY 10	FY 09	Change	% Change
Sale of products	5,513	8,537	(3,024)	(35)
Other Operating Income	64	37	27	73
Less: Excise Duty	100	175	(75)	(43)
Net Sales/Income from Operations	**5,477**	**8,399**	**(2,922)**	**(35)**

Net sales decreased by 35% during FY 10 over FY 09 mainly due to reduction in price realisation of fertiliser products partly offset by increase in volumes of Urea due to debottlenecking. During FY 10 there is substantial decrease in volumes of trading business viz., imported DAP / MOP.

2. **Other Income:**

Rs. in crore

	FY 10	FY 09	Change	% Change
Other Income	193	95	98	(103)

The increase in other income is mainly attributable to profit on sale of trade investments in quoted equity shares during FY 10.

3. **Raw Material consumed:**

Rs. in crore

	FY 10	FY 09	Change	% Change
Raw Material Consumed	2,081	3,474	(1,393)	(40)

Raw material consumption showed significant decrease over FY 09 mainly due to lower prices of Phosphoric Acid and lower prices & consumption in case of Sulphur.

4. **Cost of Traded Goods purchased:**

Rs. in crore

	FY 10	FY 09	Change	% Change
Cost of traded goods purchased	703	2,055	(1,352)	(66)

Cost of traded goods purchased decreased by 66% mainly on account of significant reduction in the price and volumes of DAP and MOP.

5. **Power and Fuel:**

Rs. in crore

	FY 10	FY 09	Change	% Change
Power and Fuel	430	610	(180)	(30)

The decrease in power and fuel cost during FY 10 over FY 09 is mainly on account of significant reduction in the usage of Naphtha at Babrala works. In addition, during the FY 10 there is reduction in the prices of furnace oil, coal, and pet coke.

6. **Freight and forwarding charges:**

Rs. in crore

	FY 10	FY 09	Change	% Change
Freight and forwarding charges	369	333	36	11

The increase in freight and forwarding charges during the FY 10 over FY 09 is due to increase in sales volumes of Urea and Salt and also increase in average freight rates.

7. **Provision for diminution in value of Current investments**:

Rs. in crore

	FY 10	FY 09	Change	% Change
Provision for diminution in value of current investments	nil	56	(56)	(100)

The provision for diminution in value of current investments Rs.56 crores for the FY 09 is primarily on account of fertilizer bonds. The investment in fertilizer bonds as at end of FY 10 is nil.

Tata Chemicals Limited

8. Other Expenses:

Rs. in crore

	FY 10	FY 09	Change	% Change
Other expenses	169	350	(181)	(52)

Other expenses have gone down mainly due to significant decrease in foreign exchange fluctuation loss, Brand Equity Business Promotion and provision for diminution on fertiliser bonds during the year FY 10 compared to FY 09.

9. Investment:

Rs. in crore

	FY 10	FY 09	Change	% Change
Trade Investment	331	368	(37)	(10)
Investment in Subsidiary Companies	4,314	3,447	867	25
Investment in Joint Ventures	176	176	-	-
Current Investments	85	483	(398)	(82)
Total Investment	**4,906**	**4,474**	**432**	**10**

Increase in investments in subsidiary companies was due to conversion of loan to subsidiary into preference shares (HIPL) and purchase of controlling stake in Rallis India Ltd. Decrease in current investments was due to sale of fertiliser bonds during FY 10.

10. Inventories:

Rs. in crore

	FY 10	FY 09	Change	% Change
Inventories	611	961	(350)	(36)

The inventories as on 31st March, 2010 was lower than the level of 31st March, 2009 by Rs. 350 crore primarily due to decrease in the stock of work-in-process and finished goods (Rs.170 crores) as well as decrease in stock of raw materials (Rs.180 crore). The raw materials inventory was lower than last year for Haldia works and trading business on account of decrease in prices of raw materials and traded products. The decrease was also partly due to decrease in the stock levels of work-in-process and finished goods on account of lower sales volumes.

11. Sundry Debtors:

Rs. in crore

	FY 10	FY 09	Change	% Change
Gross Debtors	601	1,027	(426)	(41)
Less : Provision for doubtful debts	20	26	(6)	(23)
Net Debtors	**581**	**1,001**	**(420)**	**(42)**

The debtors as on 31st March, 2010 was lower by Rs.426 crores than level of 31st March, 2009. The decrease is in line with the decrease in turnover.

12. Loans and Advances:

Rs. in crore

	FY 10	FY 09	Change	% Change
Loans and Advances	277	617	(340)	(55)

The loans and advances reduced substantially as the loan given to subsidiary is converted into preference shares during the financial year and accordingly there was an increase in investments.

13. Cash Flow and Net Debt:

Net Cash flow from operating activities: The net cash from operating activities was Rs. 843 crores during FY 10 as compared to Rs. 584 crores during FY 09. The cash operating profit before working capital changes and direct taxes during FY 10 was Rs. 954 crores as compared to Rs. 1,232 crores during FY 09. The change in working capital, during the financial year, was mainly due to reduction in inventory and debtors.

Net Cash flow from investing activities: The net cash outflow from investing activities amounted to Rs. 48 crores in FY 10 as against an outflow of Rs. 738 crores in FY 09. The outflow broadly represents capex of Rs 183 crores and investment in subsidiaries of Rs 487 crores partly offset by inflow of Rs.530 crores on account of sale of investment.

Net Cash flow from financing activities: The net cash outflow from financing activities was Rs. 706 crores during FY 10 as compared to inflow of Rs. 487 crores during FY 09. There is a net repayment of borrowings of Rs. 274 crores during the current year compared to previous year inflow of Rs. 908 crores which is mainly on account of repayment of term loans from banks and Buyer's credit partly offset by proceeds on issue of NCDs and receipt of FCNR loan.

Net Debt:

Rs. in crore

	FY 10	FY 09	Change	% Change
Secured Loans	**249**	**249**	-	-
Unsecured Loans	**2,697**	**3,427**	(730)	(21)
Total Debt	**2,946**	**3,676**	**(730)**	**(20)**
Less : Cash and Bank balances	**713**	**639**	74	12
Less : Current investments	**85**	**483**	(398)	(82)
Net Debt	**2,148**	**2,554**	**(406)**	**(16)**

Net debt as on 31st March, 2010 is Rs.2148 crores as compared to Rs.2554 crores as on 31st March, 2009. During the current fiscal year, the total debt decreased by Rs.730 crores as compared to the balances as on 31st March, 2009 mainly due to repayment of buyers' credit and conversion /repayment of Foreign Currency Convertible Bonds, partly offset by proceeds on issue of NCDs and receipt of FCNR loan.

Financial Analysis of The Tata Chemicals Group – Year ended 31st March, 2010.

1. Net Sales/Income from Operations:

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	5,477	8,399	(2,922)	(35)
Brunner Mond Group Limited	1,834	2,079	(245)	(12)
General Chemicals Industrial Products Inc.	1,759	1,838	(79)	(4)
Indo Maroc Phosphore S.A., Morocco	370	868	(498)	(57)
Rallis India Ltd.	341	-	341	100
Others & Eliminations	(237)	(411)	174	(42)
Total	**9,544**	**12,773**	**(3,229)**	**(25)**

Tata Chemicals Limited

Sales (net of duties) decreased by 25% during FY 10 primarily due to:

a. **Inorganic Chemicals:** Demand destruction which resulted into lower volumes and lower realizations (on account of global slowdown and Chinese competition) as compared to the previous year.

b. **Fertilisers:** Reduction in price realizations partly offset by increase in volumes of Urea due to de-bottlenecking. Also during FY 10, there is a substantial reduction in trading volumes viz. imported DAP and MOP.

c. **Rallis India Limited**: Rallis became a subsidiary of the Company in November 09, has contributed Rs.341 crores towards increase in net sales during the current year.

2. **Raw Material consumed:**

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	2,081	3,474	(1,393)	(40)
Brunner Mond Group Limited	239	414	(175)	(42)
Indo Maroc Phosphore S.A., Morocco	208	622	(414)	(67)
Rallis India Ltd.	150	-	150	100
Others & Eliminations	(143)	(445)	302	(68)
Total	**2,535**	**4,065**	**(1,530)**	**(38)**

Raw material consumed decreased by 38% as compared to the previous year due to:

a. **Inorganic Chemicals:** Lower production volumes (mainly in Europe and Africa) marginally offset by increase in the prices of Raw materials (mainly brine).

b. **Fertilisers:** Substantial decrease in the prices of raw materials (mainly phosphoric acid, sulphur, etc) partly offset by increase in production volumes in case of Urea and complex fertilisers.

c. **Rallis India Limited**: Rallis has contributed Rs.150 crores towards increase in raw material consumption during the current year.

3. **Cost of Traded Goods purchased:**

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	703	2,055	(1,352)	(66)
Rallis India Ltd.	16	-	16	100
Others & Eliminations	10	(13)	23	(177)
Total	**729**	**2,042**	**(1,313)**	**(64)**

The cost of traded goods purchased has reduced by 64% mainly on account of reduced volumes and price of traded products in fertiliser business (mainly DAP and MOP).

Rallis has contributed Rs.16 crores towards increase in cost of traded goods purchased during the current year.

4. **Payments to and provisions for employees:**

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	205	199	6	3
Brunner Mond Group Limited	237	255	(18)	(7)
General Chemicals Industrial Products Inc.	266	396	(130)	(33)
Rallis India Ltd.	31	-	31	100
Others & Eliminations	7	20	(13)	(65)
Total	**746**	**870**	**(124)**	**(14)**

The Staff costs reduced by 14% mainly due to change in accounting policy for accounting of Employee Benefits (actuarial gains /losses) in case of overseas subsidiaries, in the current year as compared to the previous year. The increase in case of Indian operations is mainly due to revised wages.

Rallis has contributed Rs.31 crores towards increase in staff costs during the current year.

5. **Power and Fuel:**

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	430	610	(180)	(30)
Brunner Mond Group Limited	392	517	(125)	(24)
General Chemicals Industrial Products Inc.	200	241	(41)	(17)
Rallis India Ltd.	9	-	9	100
Others & Eliminations	10	8	2	25
Total	**1,041**	**1,376**	**(335)**	**(24)**

Power and Fuel charges have reduced by 24% compared to the previous year due to:

a. **Inorganic Chemicals:** Reduced production volumes (mainly Europe and Africa) and lower input cost (US and Indian operations);

b. **Fertilisers:** Reduction in the cost of input on account of increase in usage of natural gas compared to naphtha in the current year partly offset by increase in production volumes.

c. **Rallis India Limited**: Rallis has contributed Rs.9 crores towards increase in power & fuel costs during the current year.

6. **Operation and Other Expenses:**

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	1,161	1,081	80	7
Brunner Mond Group Limited	556	564	(8)	(1)
General Chemicals Industrial Products Inc.	783	740	43	6
Indo Maroc Phosphore S.A., Morocco	88	146	(58)	(40)
Rallis India Ltd.	73	-	73	100
Others & Eliminations	(4)	3	(7)	(233)
Total	**2,657**	**2,534**	**123**	**5**

Tata Chemicals Limited

Operation and other expenses represent the following:

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Stores and spare parts consumed	253	195	58	30
Packing Materials consumed	210	196	14	7
Repairs	233	276	(43)	(16)
Rent	59	68	(9)	(13)
Rates and Taxes	104	78	26	33
Commission, discount and distributors'				
service charges	92	77	15	20
Sales promotion expenses	76	60	16	27
Freight and forwarding charges	1,015	978	37	4
Others (*)	615	606	9	1
Total	**2,657**	**2,534**	**123**	**5**

(*) - Others include excise duty adjustment for stocks(net), insurance charges, lease rent, loss on sale of assets sold or discarded (net), provision for doubtful debts and advances, provision for diminution in value of current investments, other expenses, expenditure transferred to capital account, directors fees/commission and change in inventory of work-in-process and finished goods.

The operation and other expenses during the FY 10 have increased by 5% compared to FY 09 due to:

Increase in other expenses is mainly due to higher maintenance expenses, sales promotion expenses (launch of new products), freight and forwarding expenses (mainly due to increase in freight cost per tonne), rates and taxes (on account of higher volumes) offset by reduction in rent, repairs, provision for diminution in value of current investments (loss on sale of fertiliser bonds) and other administrative expenses.

Rallis has contributed Rs.73 crores to increase in other operating expenditure during the current year.

7. Sundry Debtors:

Rs. in crore

Entity	FY 10	FY 09	Change	% Change
Tata Chemicals Limited	582	1,002	(420)	(42)
Brunner Mond Group Limited	207	329	(122)	(37)
General Chemicals Industrial Products Inc.	299	306	(7)	(2)
Indo Maroc Phosphore S.A., Morocco	46	65	(19)	(29)
Rallis India Ltd.	76	-	76	100
Others & Eliminations	(98)	(66)	(32)	48
Total	**1,112**	**1,636**	**(524)**	**(32)**

The debtors as on 31st March, 2010 was lower by Rs. 524 crores (32%) compared to previous year. This decrease is in line with reduction in turnover.

8. **Cash Flow and Net Debt:**

Net Cash flow from operating activities: The net cash from operating activities was Rs. 1,984 crores during FY 10 as compared to Rs. 1,028 crores during FY 09. The cash operating profit before working capital changes and direct taxes during FY 10 was Rs. 1,920 crores as compared to Rs. 1,954 crores during FY 09. The working capital during FY 10 reduced by Rs. 352 crores, mainly due to reduction in inventory (with reduction in finished inventory and raw materials inventory) and Debtors.

Net Cash from investing activities: The net cash outflow from investing activities amounted to Rs. 438 crores in FY 10 as against an outflow of Rs. 685 crores in FY 09. The outflow during the current year represents acquisition of fixed assets (net of sale proceeds) of Rs. 589 crores, acquisition of Rallis India Ltd - Rs. 461 crores partly set off by net inflow of Rs. 530 crores on account of proceeds on sale of investments (net of purchases). The outflow in the previous year mainly represents acquisition of fixed assets (net of sale proceeds) of Rs. 733 crores.

Net cash from financing activities: The net cash outflow from financing activities was Rs. 1,403 crores during FY 10 as compared to Rs. 92 crores during FY 09. There is a net repayments of borrowings (net of proceeds) of Rs. 652 crores during the current year mainly on account of repayment of term loans from banks and Buyer's credit partly offset by proceeds on issue of NCD's and receipt of FCNR loan (previous year- net proceeds from borrowings Rs. 526 crores mainly due to Buyer's credit).

Net Debt:

Rs. in crore

Particulars		FY 10	FY 09	Change
Secured Loans		1,839	2,325	(486)
Unsecured Loans		3,155	3,959	(804)
Total Debt		**4,994**	**6,284**	**(1,290)**
Less: Cash and Bank Balances		1,159	990	169
Less: Current Investments		198	483	(285)
Net Debt		**3,637**	**4,811**	**(1,174)**

A reduction in net debt by Rs. 1,174 crores represents a reduction in the gross debt by Rs. 1,290 due to:

a. Conversion into Equity / repayments of Foreign Currency Convertible Bonds and repayment of buyer's credit.

b. Foreign exchange gain on $ 475 million on ECB loan on account of fluctuation of USD-INR rate from Rs. 50.72 as on March 31, 2009 to Rs. 44.90 as on March 31, 2010..

c. Scheduled repayments of external debts by General Chemicals and Industrial Products INC, Brunner Mond Group Limited.

d. Partly offset by proceeds on issue of NCDs and receipt of FCNR loan by Indian Operations

INNOVATION AND TECHNOLOGY

Tata Chemicals Innovation Centre

During 2009-10, the Innovation Centre (IC) focused on taking to market, promising products and processes developed in the laboratory. The Innovation Centre contributed significantly to developing 'Swach', the nanotech water purifier. During this period, significant progress has been made in the areas of biofuels, nutraceuticals and nanomaterials with four products entering the test marketing stage. As of 31st March 2010, there were 37 scientists in the IC with an eclectic mix of expertise in the areas of nanotechnology and materials science, biotechnology, inorganic chemistry and molecular biology along with catalysis and bioengineering experts. There are dedicated resources for issues

Tata Chemicals Limited

related to IPR and a business development group. 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 and Nutraceuticals.

With the continued focus on Innovation Center, the Company has acquired land for construction of a world class research center in Pune.

Tata Chemicals Centre for Agri-Solutions and Technology

In order to provide appropriate advice to farmers on farming practices in general and crop nutrition practices and solutions in particular, a development centre viz. Centre for Agri Solutions & Technology (CAT) has been set up in Aligarh (U.P.) This Centre is staffed with experienced scientists who are working in various areas. During 2009-10, CAT, Aligarh was involved in research and developmental work related to crop nutritional aspects. The centre developed customized fertilizer (CF) basal grades for wheat, rice, maize, potato and sugarcane for operational regions around Babrala and sweet sorghum for growing regions in Maharashtra state. Crop specific CF (foliar) grades were developed on R&D based field trials and were quite effective on cost-benefit basis. Geo referenced soil samples from 21 districts around Babrala are being tested at Plant Nutrition Lab of CAT for chemical characteristics, for delineating soil fertility zones in the operational territory around Babrala region. The centre is also in the process of obtaining Department of Science and Technology approval as an approved R & D facility.

HUMAN RESOURCES

As on March 31, 2010 TCL had 4,656 employees – 3210 of them in India and 1446 overseas. Industrial Relations were cordial across the geographies of its operations. However, operations at Haldia were impacted because of an illegal strike by contract workmen. In India, at Mithapur a new wage agreement was signed with the Workers' Union. During the year, levels of engagement with different employee segments have increased and are vindicated by the increase in the employee engagement score on all parameters.

The Company has a comprehensive Long-term strategic plan 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 managing the current and future needs of the organization. At TCL, the focus of learning and development is on building the capabilities of employees so that they are fully geared to meet the expectations of different stakeholders of the Company. This is also combined with its strong belief that employees are central to the Company's transformation and 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. Having built a strong foundation on the culture of excellence, many capability and capacity building interventions were done for employees in the functional, managerial and leadership areas.

The Company understands the need to effectively communicate with all stakeholders and continued with its efforts to ensure effective and transparent two way communication. The Company was recognized for its communication efforts with fourteen National and one International award in 2010 for excellence in internal and external stakeholder communications. The print media Share of Voice (SOV) in the Chemicals and Fertilisers Industry space was 57% and the Communication Effective Index (CEI) for internal communication during the year was at an all time high. A comprehensive communication plan to sensitize employees on the nuances of Sustainability was launched and successfully implemented.

SUSTAINABILITY

Safety, Health and Environment (SHE)

The focus on improving work place safety is continued and the total recordable injury frequency rates are maintained at levels matching world class. There was one regrettable fatal incident on 12 August 2009 at Mithapur and one at the Mombasa Port facility of Magadi Soda in Kenya on 17 September 2009. All necessary corrective and preventive actions have been taken at all sites based on the learnings from these incidents. 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. All sites in India are certified to OHSAS 18001, ISO 14001 and BSC 5 Star Safety Rating. The Babrala operation is certified to Responsible Care RC 14001. The Babrala and Haldia operations are certified to BSC 5 Star Environmental Sustainability rating.

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, Fertiliser Association of India, Indian Chemical Council, Gujarat Mines Safety for its effort on SHE.

The Company has complied with environmental consent conditions at all its locations. The Company continues to monitor "Green Manufacturing Index" on targets on energy and water consumption, waste recycle and use of renewable energy.

The Company continues to be a "Responsible Care" Logo holding company granted by Indian Chemical Council.

All operations outside India follow the local safety regulatory requirements and the work of integrating the measuring and reporting the SHE performance on common metrics and practices is taken up. The Brunner Mond UK operations are certified to OHSAS 18001.

Tata Chemicals launched this year the Wellness program to engage employees on dimensions like physical health, financial health and emotional health.

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 on Climate Change issues. TCL is signatory to UN Global Compact and the Global Reporting Initiative (GRI), Responsible Care, CII-Mission on Sustainable Growth-Code for Ecologically Sustainable Businesses and the Global Corporate Roundtable on Climate Change at Earth Institute, Columbia University. During the year, it continued to hold the prestigious Responsible Care Logo granted by Indian Chemical Council. TCL Babrala received in the year the CII-ITC Sustainability Prize. Tata Chemicals Sustainability Report for the India operations assured to GRI G3 Protocol is now posted on the website.

Manufacturing operations are working on "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 aspect.

TCL is actively pursuing the Clean Development Mechanism (CDM) Process of United Nations Framework Convention on Climate Change (UNFCCC) to derive benefits from energy reduction and alternate fuel projects at its various plant locations and several projects have been identified across Mithapur, Babrala and Haldia with potential revenues for the protocol period up to 2012. Four projects are already registered with UNFCCC against which 30,500 MT CER were issued and about successfully transacted for sale and about 30,000 MT Certified Emission Reduction (CER) are under review. TCL is also evaluating the possibility of availing carbon credits for specialty fertilizers, bio-fuels, water purifier and new products from Innovation Center. TCL networks with several international agencies and Carbon Exchanges and interacts with Tata Corus Green Trade for aggregating the projects over a period of time to realize the best value. TCL is a member of the Steering Committee and Working Group of Climate Change formed for the Tata Group's Response to Climate Change and the CII Forum on National Action Plan for Climate Change.

The sustainability perspective in different regions globally is being managed as per regional mandates like the EU ETS in Europe and US EPA legislative actions in US and strategic plans are being worked out. Brunner Mond has proposed to build a new Sustainable Energy Plant on the site of the disused power station at the plant site in Lostock. This will reduce reliance on expensive, high carbon fossil fuels by building a highly efficient sustainable energy plant that will produce around a third the heat energy needs from sustainable fuel - a non-hazardous, solid fuel made from pre-treated waste and some plant-derived material, known as biomass. This would reduce GHG emissions, by preventing methane release from landfills and reducing the need to burn fossil fuels.

Community Engagement & Environment Management

Care for the community and sustainability concerns are an integral part of Tata Chemicals' 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 (TCSRD), 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. This year the program at Babrala was the recipient of CII – ITC sustainability award.

"Uday" – a Rural BPO, set up in partnership with Tata Business Service Solutions (TBSS) at Mithapur and Babrala to help bridge the digital divide between the rural and urban population, continued to provide employment to 266 educated rural youth. "Okhai" is now becoming a well-known brand for handicrafts and garments made by communities around Mithapur and Babrala. More than 450 women are associated with Okhai. Going forward, Okhai will integrate all such initiatives that are linked to rural products under it with an aim to empower the artisans associated with it.

The Company has developed expertise in water management and continues to provide facilitation and resources for making more and more villages surrounding our sites water self-sufficient. A research study has been initiated to understand the impact of water initiatives, and the chart the future course. Ponds are an integral part of the Bengali ethos and at Haldia a program for scientific pond management has been taken up. A model village has been developed to showcase the benefits of pond management and create market linkage for the fish produce.

On the conservation front, the Company continues to support the "Dharti Ko Arpan" programs. These include efforts to save the Asiatic Lion by barricading 1000 open wells in the Gir Wildlife sanctuary in association with the Gujarat Forest Department and Mangrove plantation in association with International Union for Conservation of Nature (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". This year, we took this further to initiate a scientific study on the whale shark so that we can ensure the long term survival of the largest fish in the world which is in the critically endangered list. We also initiated work on coral reef securitization. Both these programs are 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 more than 24,000 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 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

The Company believes that good internal control is an intrinsic part of the overall Governance process and freedom of management should be exercised within a framework of appropriate checks and balances. TCL remains committed to ensuring an effective internal control environment that provides assurance on the efficacy of operations and security of assets. The Company has robust systems for internal audit and risk assessment and mitigation and has an independent Internal Audit Department with well established internal control and risk management processes both at business and corporate level. The 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.

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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 comprising Chartered Accountants, Engineers and MBAs. Reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. The internal audit department which operates on a decentralized basis, continuously monitors the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirement. Besides, validation of IT security and Business Continuity Plans receives focused attention from the internal audit team. The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the 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 IT enabled CSA process provides a good bottom-up approach and build up for the CEO/CFO certification as required by clause 49 of the listing agreement, besides helping in awareness creation of controls across a wide segment of TCL employees.

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.

TCL's risk identification and assessment process is dynamic and hence the Company has been able to identify, monitor and mitigate the most relevant strategic and operational risks both during the period of accelerated growth as well as through the recessionary phase of the economy we recently witnessed.

Integration with Strategy and Business Planning: Identified risks are used as an input whilst developing the strategy and business plans. 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.

- 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, Enterprise Risks are reviewed quarterly by the Audit Committee of the Board. Risk owners present status updates on their mitigation plans.

Some of the major risks and concerns identified are:

1) **Continued Recessionary Pressure:** Though markets & economies have begun to recover from the unprecedented turmoil witnessed in the previous year, reduced consumer wealth and consequent demand continues to be a concern. Additionally, the withdrawal of fiscal stimulus packages across the globe further

accentuates the situation. While the breadth of TCL's portfolio and our geographic spread has helped mitigate the crisis to an extent, we will continue to protect our profits through a new wave of enterprise wide initiatives on cost compression.

2) **Financial Risks:** TCLs breadth in international operations, our foreign currency borrowings and our dependency on imports for the phosphatic fertilizers, continue to subject us to risks from changes in the relative value of currencies. Our elaborate Treasury policy ensures that foreign exchange exposures are within prescribed limits and the use of foreign exchange forward contracts is resorted to judiciously. We have a separate Risk Management Committee which monitors & helps mitigate our currency and interest rate risks.

3) **Government Subsidy on sale of fertilizers:** Effective April 1, 2010, the Government has introduced a Nutrient Based Subsidy for Phosphatic & Potash based fertilizers. This change could result in margin pressures over the short/medium term. Uncertainty regarding the timing of receipts of government subsidy in our fertilizer business is a major factor affecting cash flows and hence working capital requirements. Here again, our treasury policy anticipates this risk and adequate precautions have been built in to address the issue.

4) **Input costs and securitization of raw materials for fertilizer business:** The prices of raw materials for phosphatic fertilizers are subject to economic conditions and global demand-supply balances. With the change in policy to Nutrient Based Subsidy, it's imperative that the imports are competitive. While TCL has entered into long term supply contracts for its key raw materials, the pricing of these are normally formula based. TCL actively monitors the environment for opportunities and maintains good supplier relationships to ensure minimal impact from 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 to our business objectives and help bring out the best in individuals. Investment in employees through training is constantly made to ensure we equip our employees 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 very exacting standards in safety, ethics and environmental management. The Company continues to recognize the importance of safety and environmental issues in our operations and have established comprehensive indicators to track performance in these areas. TCL values the safety of our employees and constantly raises the bar in ensuring a safe work place.

The Company continues to benchmark its Internal Audit and Risk Management practices 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.

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CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

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 Practices. 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 Shares are listed. The composition of the Board as on March 31, 2010 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 of more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

Meetings held

The Board met 9 (nine times) on the following dates during the financial year 2009-2010.

April 29, 2009	August 12, 2009	December 07, 2009
May 28, 2009	September 22, 2009	January 29, 2010
July 30, 2009	October 29, 2009	March 30, 2010

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

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

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 2009-2010 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, 2010 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2009-2010	Whether attended AGM held on July 30, 2009	Number of Directorships in other public limited companies*		No. of Committee positions held in other public limited companies*	
				Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. Ratan. N. Tata (Chairman)	**Promoter,** Non-Executive	4	Yes	9	1	—	—
Mr. R. Gopalakrishnan (Vice Chairman)	**Promoter,** Non-Executive	9	Yes	2	6	—	3
Mr. Nusli N. Wadia	Independent, Non-Executive	4	No	3	3	—	—
Mr. Prasad R. Menon	Non-Independent, Non-Executive	6	Yes	3	8	—	1
Mr. Nasser Munjee	Independent, Non-Executive	8	Yes	1	13	3	3
Dr. Yoginder K. Alagh	Independent, Non-Executive	9	Yes	—	2	—	2
Dr. M.S. Ananth	Independent, Non-Executive	4	No	—	2	—	2
Mr. Arun Nath Maira (ceased to be a Director w.e.f. July 22, 2009)	Independent, Non-Executive	2	N.A	—	—	—	—
Mr. E.A. Kshirsagar	Independent, Non-Executive	8	Yes	—	5	3	4
Dr. Y.S.P. Thorat (appointed as an Additional Director w.e.f. January 08, 2010)@	Independent, Non-Executive	2	N.A.	—	2	—	—
Mr. R. Mukundan	Managing Director	9	Yes	—	1	—	—
Mr. Kapil Mehan	Executive Director	8	Yes	—	—	—	—
Mr. P. K. Ghose	Executive Director	8	Yes	—	2	1	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.

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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, 2010 are as under:

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

3. Audit Committee

Meetings held:

During the financial year 2009-2010, 10 (ten) Audit Committee meetings were held on the following dates:

April 07, 2009	September 11, 2009	January 28, 2010
May 27, 2009	October 28, 2009	March 02, 2010
July 08, 2009	December 03, 2009	
July 28, 2009	January 16, 2010	

Composition and Attendance:

Name of Director	Composition as on March 31, 2010	No. of meetings Attended
Mr. Nasser Munjee	Chairman	10
Mr. R. Gopalakrishnan	Member	8
Dr. Yoginder K. Alagh	Member	10
Mr. E. A. Kshirsagar	Member	9

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

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 and Mr. E.A. Kshirsagar – Members of the Audit Committee were present at the last Annual General Meeting held on July 30, 2009.

4. **Remuneration Committee**

Meetings Held:

During the financial year 2009-2010, 1 (one) Remuneration Committee meeting was held on May 28, 2009.

Composition and Attendance

Name of Director	Composition as on March 31, 2010	No. of meetings attended
Mr. Nusli N. Wadia	Chairman	1
Mr. Ratan N. Tata	Member	1
Mr. R. Gopalakrishnan	Member	1

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 2009-2010.

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 2009-2010

(Rupees)

Director	Salary	Perquisites and Allowance #	Commission (for the financial year 2008-2009) paid in 2009-2010)
Mr. Homi R. Khusrokhan (retired w.e.f December 14, 2008)	—	—	100,00,000
Mr. R. Mukundan – Managing Director	30,00,000	87,91,713	20,00,000
Mr. Kapil Mehan – Executive Director	27,00,000	77,37,508	15,00,000
Mr. P.K. Ghose – Executive Director	27,00,000	69,16,889	15,00,000

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

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Non-Executive Directors:

(Rupees)

Director	Sitting Fees	Commission (for the financial year 2008-2009) paid in 2009-2010
Mr. Ratan N. Tata	1,65,000	36,23,000
Mr. R. Gopalakrishnan	4,45,000	53,48,000
Mr. Nusli N. Wadia	1,00,000	18,19,000
Mr. Prasad R. Menon	2,00,000	24,69,000
Dr. T. Mukherjee (ceased to be a Director w.e.f. March 30, 2009)	—	14,18,000
Mr. Nasser Munjee	3,60,000	47,35,000
Dr. Yoginder K. Alagh	4,00,000	37,45,000
Dr. M. S. Ananth (appointed as an Additional Director w.e.f. April 03, 2008)	80,000	4,25,000
Mr. Arun Nath Maira(ceased to be a Director w.e.f. July 22, 2009)	40,000	5,67,000
Mr. E.A. Kshirsagar (appointed as an Additional Director w.e.f. November 26, 2008)	3,40,000	8,51,000
Dr. Y.S.P. Thorat (appointed as an Additional Director w.e.f January 08, 2010)	40,000	—

Commission payable to the Directors for the financial year 2009-10

Non Executive Directors	:	Rs.250 lacs
Mr. R. Mukundan	:	Rs.150 lacs
Mr. Kapil Mehan	:	Rs.100 lacs
Mr. P.K. Ghose	:	Rs.100 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 2009-2010, 2 (two) meetings were held on May 27, 2009 and October 28, 2009.

Composition and Attendance

Name of Director	Composition as on March 31, 2010	No. of meetings attended
Dr. Yoginder K. Alagh	Chairman	2
Mr. R. Mukundan	Member	2

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, 2010 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2009	:	Nil
Received during the year	:	29
Resolved during the year	:	29
Pending as on March 31, 2010	:	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. **Executive Committee of the Board**

At the Board meeting held on July 30, 2009, the Board of Directors accorded their consent to the change of name of the Committee from the "Committee of Directors" to the "Executive Committee of the Board".

Meetings Held:

During the financial year 2009-2010, 4 (four) Executive Committee of the Board meetings were held on the following dates:

June 11, 2009	November 25, 2009
September 09, 2009	January 12, 2010

Composition and Attendance:

Name of Director	Composition as on March 31, 2010	No of meetings attended
Mr. Ratan N. Tata	Chairman	3
Mr. R. Gopalakrishnan	Member	4
Mr. Nusli N. Wadia	Member	—
Mr. Prasad R. Menon	Member	4
Mr. R. Mukundan (w.e.f. December 15, 2008)	Member	4
Mr. Kapil Mehan(w.e.f. July 30, 2009)	Member	3
Mr. P.K.Ghose(w.e.f. July 30, 2009)	Member	3

Terms of Reference:

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

In addition to the existing terms of reference, the following are the new terms of reference for this Committee as laid down by the Board at its meeting held on July 30, 2009.

To do a detailed review of the following items before these are presented to the Board:

- The Business and strategy of the Company.
- Long term financial projections and cash flows.
- Capital and Revenue Budgets and Capital Expenditure programmes.
- Acquisitions, divestments and business restructuring proposals.
- Senior management succession planning.
- Any other item as may be decided by the Board.

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7. Nomination Committee

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

Meetings Held:

During the financial year 2009-2010, 1 (one) Nomination Committee meeting was held on July 30, 2009.

Composition and Attendance

Name of Director	Composition as on March 31, 2010	No of meetings attended
Dr. Yoginder K. Alagh	Chairman	1
Mr. Ratan N. Tata	Member	1
Mr. R. Gopalakrishnan	Member	1

Terms of Reference:

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

8. Ethics and Compliance Committee

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

Meetings Held:

During the financial year 2009-2010, 1 (one) Ethics and Compliance Committee meeting was held on December 03, 2009.

Composition and Attendance

Name of Director	Composition as on March 31, 2010	No of meetings attended
Dr. Yoginder K. Alagh	Chairman	1
Mr. R. Mukundan	Member	1

Terms of Reference:

- To set forth policies relating to and oversee the implementation of the Insider Code.
- To take on record status reports prepared by the Compliance Officer detailing the dealings in Securities by the Specified Persons and their dependants on a monthly basis.
- To decide penal action in respect of violation of the Regulations / the Code by any Specified Person.

9. 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
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.
2008-09	Birla Matushri Sabhagar, 19,Vithaldas Thackersey Marg, Mumbai 400 020	July 30, 2009	Thursday	3.00 p.m.

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

1. 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.

2. 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.

3. At the AGM held on July 30, 2009 – Approving the amendment to Common Seal provision in the Articles of Association of the Company.

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

10. Disclosures

Related Party Transactions

During the financial year 2009-2010 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, 2010.

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 requirement 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 setup a Remuneration Committee pursuant to Clause 49 of the Listing Agreement. The details of this Committee are given above.

- The Company has also set up Executive Committee of the Board, Nomination Committee and Ethics and Compliance Committee. The details of these Committees are given above.

11. Means of Communication:

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

12. General Shareholder Information

Annual General Meeting

Date and Time	:	August 9, 2010 at 3.00 p.m.
Venue :		Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai - 400 020
Financial year	:	April to March
Book Closure Date	:	July 06, 2010 to July 26, 2010 (both days inclusive for the purpose of AGM and Dividend)
Dividend payment date	:	On or after August 10, 2010
Listing on Stock Exchanges	:	The Company's Ordinary Shares are listed on the following Stock Exchanges:

(1) 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 2009-10.

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

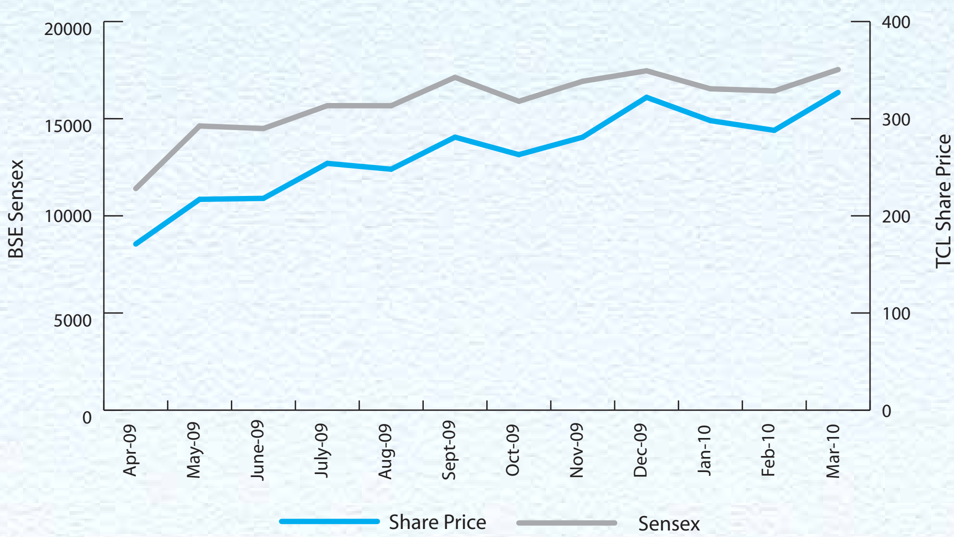
Demat ISIN in NSDL and CDSL for Equity Shares **INE092A01019**

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- 2009	175.45	140.95	175.25	140.00
May-2009	249.50	172.25	249.40	171.50
Jun-2009	265.95	215.10	269.00	215.30
Jul-2009	259.40	189.85	259.35	189.00
Aug-2009	271.90	240.20	271.85	240.10
Sep-2009	283.45	240.10	304.50	240.00
Oct-2009	296.80	249.10	305.00	248.50
Nov-2009	293.00	256.10	293.70	255.65
Dec-2009	341.80	281.00	341.50	280.10
Jan-2010	336.00	275.10	336.20	276.05
Feb-2010	309.70	271.00	309.45	273.75
Mar-2010	329.70	284.75	331.85	284.50

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



Tata Chemicals Limited

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: tsrdlbang@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
Telefax: 079-2657 6038
Email: shahconsultancy@hotmail.com

Share Transfer Process:

Shares 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, the Company Secretary and Sr. Manager – Finance & Secretarial have been severally empowered to approve transfers.

Distribution of Shareholding as on March 31, 2010

Category	No. of Shares	Percentage	No. of Shareholders	Percentage
1 — 500	21587989	8.87	185172	89.21
501 — 1000	9022394	3.71	12110	5.83
1001 — 2000	8436852	3.47	5882	2.83
2001 — 3000	4548382	1.87	1829	0.88
3001 — 4000	2682861	1.10	762	0.37
4001 — 5000	2204602	0.91	486	0.23
5001 — 10000	5669897	2.33	805	0.39
Greater than 10000	189103301	77.74	529	0.26
Total	**243256278**	**100.00**	**207575**	**100.00**

Category of shareholding as on March 31, 2010

Category	No. of Shares	Percentage
Tata Companies & Trusts	68,485,078	28.16
Resident Individuals	55,888,470	22.98
Foreign Holdings	32,595,739	13.40
Public Financial Institutions	54,309,881	22.32
Government / Government Companies	76,048	0.03
Other Companies, Mutual Funds	31,500,291	12.95
Nationalised Banks	400,771	0.16
Total	**243,256,278**	**100.00**

Dematerialization of shares and liquidity:

Percentage of Shares held in

physical form : 4.54

electronic form with NSDL : 92.07

electronic form with CDSL : 3.39

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 2009-10 : US$ 42.76 million

FCCBs Redeemed on January 31, 2010 : US$ 1.15 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, SWIX7HS
- 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.
- Wyoming 1 (Mauritius) Pvt. Ltd.
  IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius
- Wyoming 2 (Mauritius) Pvt. Ltd.
  IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius

Tata Chemicals Limited

- 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 Holding Inc.
  - General Chemical (Soda Ash) Inc.
  - Bayberry Management Corporation
  - General Chemical (Soda Ash) Partners LLC (GCSAP LLC)
  - General Chemical (Great Britain) Limited
  - General Chemical Canada Holding Inc
  - GCSAP Holdings (DE general partnership)
  - General Chemical (Soda Ash) Partners (DE general partnership).
  - GCSAP Canada 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
- Rallis India Limited
  156/ 157, 15th Floor, Nariman Bhavan, 227, Nariman Point
  Mumbai 400 021
- Rallis Australasia Pty. Limited
  270 Bagieau Road, West Harvey WA 6220
- Rallis Chemistry Exports Limited
  156/ 157, 15th Floor, Nariman Bhavan, 227, Nariman Point
  Mumbai 400 021

Joint Ventures

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

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

DECLARATION

I, R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2010.

For Tata Chemicals Limited

Mumbai
May 24, 2010

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, 2010 as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

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

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

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

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

NALIN M. SHAH
Partner
Membership No: 15860

For **N.M.RAIJI & CO.**
Chartered Accountants
(Registration No. 108296W)

J.M. GANDHI
Partner
Membership No: 37924

Mumbai, May 24, 2010.

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, 2010, 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 as follows:

   (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, 2010;

      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, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Reg. No. 117366W)

NALIN M. SHAH
Partner
(Membership No. 15860)

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

Chartered Accountants

(Reg. No. 108296W)

J. M. GANDHI
Partner
(Membership No. 37924)

MUMBAI, 24th May, 2010

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

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

(ii) In respect of its fixed assets:

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

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

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

(iii) In respect of its inventory:

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

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

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

(iv) In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company had granted unsecured loan (including interest capitalised) to a wholly-owned subsidiary in the earlier years. At the year-end, the outstanding balance of such loan is Rs. Nil and the maximum amount involved during the year, was Rs. 372.43 crores.

(b) Since the loan amount was converted into preference shares at beginning of the year, clauses 4 (iii) (b) and (c) pertaining to the rate of interest and other terms and conditions of such loans and the regularity of the receipts of principal amounts and interest thereon respectively are not applicable.

(c) There were no overdue amounts above Rs. 1 lakh remaining outstanding towards principal and interest as at the year-end.

(v) 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 are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(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 were no contracts or arrangements the particulars of which needed to be entered into the Register maintained under Section 301 of the Companies Act, 1956.

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

(ix) In our opinion, the Company has an adequate 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, Sulphuric Acid and Sodium Tripolyphosphate and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or 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 generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as at 31st March, 2010 on account of dispute are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in crores)
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales Tax (Central and State) and Value Added Tax	High Court	1997-2001	7.48
		Tribunal	1991-92, 1994-97, 1999-2000 and 2001-03	9.27
		Appellate authority upto Commissioner's level	1995-99 and 2001-2008	12.76
Customs Act, 1962	Customs Duty	Supreme Court	1991-92	3.96
		Tribunal	2001-04	0.96
		Appellate authority upto Commissioner's level	1987-88, 1992-93 and 2001-02	0.19
Central Excise Act, 1944	Excise Duty	Supreme Court	1974-1980 and 1981-85	0.31
		Tribunal and 2005-06	1985-88, 1994-97	0.95
		Appellate authority upto Commissioner's level	1994-2000 and 2004-09	66.87
Income Tax Act, 1961	Income Tax	Appellate authority upto Commissioner's level	2001-04	149.72
Total				**252.47**

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

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

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities and 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.

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

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

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

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the year.

(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
(Reg. No. 117366W)

NALIN M. SHAH
Partner
(Membership No. 15860)

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

Chartered Accountants
(Reg. No. 108296W)

J. M. GANDHI
Partner
(Membership No. 37924)

MUMBAI, 24th May, 2010

Tata Chemicals Limited

Balance Sheet as at 31st March, 2010

	Schedule	Page	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	64		**243.32**	235.23
(b) Reserves and Surplus	B	64		**4,039.64**	3,624.07
				4,282.96	3,859.30
2. LOAN FUNDS					
(a) Secured Loans	C	65	**249.24**		249.48
(b) Unsecured Loans	D	65	**2,697.27**		3,426.62
				2,946.51	3,676.10
3. DEFERRED TAX LIABILITY (net) (Note 5, page 79)				**190.22**	103.02
4. TOTAL				**7,419.69**	7,638.42
APPLICATION OF FUNDS					
5. FIXED ASSETS					
(a) Gross Block			**3,803.50**		3,602.99
(b) Less : Depreciation and Impairment			**2,211.06**		2,058.01
(c) Net Block	E	66	**1,592.44**		1,544.98
(d) Capital Work-in-Progress			**237.65**		307.22
				1,830.09	1,852.20
6. INVESTMENTS	F	67		**4,905.59**	4,473.73
7. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE (Note 26, page 90)				**7.89**	237.39
8. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	G	70	**611.19**		961.35
(b) Sundry Debtors	H	70	**581.60**		1,001.73
(c) Cash and Bank Balances	I	71	**712.65**		638.75
(d) Loans and Advances	J	71	**277.32**		616.97
			2,182.76		3,218.80
Less :					
9. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	72	**1,153.45**		1,770.99
(b) Provisions	L	72	**353.19**		372.71
			1,506.64		2,143.70
10. NET CURRENT ASSETS (8-9)				**676.12**	1,075.10
11. TOTAL				**7,419.69**	7,638.42
12. Notes on the Balance Sheet and Profit and Loss Account	M	73			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

For and on behalf of the Board

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

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Page	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
INCOME					
1. Sales	1 (1)	60	**5,512.54**		8,536.60
Less : Excise Duty			**100.28**		174.51
Net Sales				**5,412.26**	8,362.09
2. Operating Income	1 (2)	60		**64.38**	36.94
3. Other Income	2	60		**192.83**	94.68
4. Reversal of impairment				**—**	31.84
5. TOTAL INCOME				**5,669.47**	8,525.55
EXPENDITURE					
6. Manufacturing and Other Expenses	3	61	**4,580.14**		7,418.70
7. Borrowing Costs	4	62	**205.73**		191.23
8. Foreign exchange loss on borrowings (net)			**108.28**		92.32
			4,894.15		7,702.25
9. Depreciation and Amortisation			**187.19**		163.03
10. TOTAL EXPENDITURE				**5,081.34**	7,865.28
PROFIT BEFORE TAX				**588.13**	660.27
11. **PROVISION FOR TAX**					
(a) Current			**181.35**		255.83
(b) Deferred			**(28.00)**		(49.08)
(c) Fringe Benefit Tax (net of excess provision of prior year **Rs. Nil**, previous year Rs. 1.15 crores)			-		1.47
				153.35	208.22
PROFIT AFTER TAX				**434.78**	452.05
12. BALANCE BROUGHT FORWARD				**1,733.32**	1,574.10
13. **AMOUNT AVAILABLE FOR APPROPRIATIONS**				**2,168.10**	2,026.15
14. APPROPRIATIONS :					
(a) Proposed Dividend				**218.93**	211.65
(b) Tax on Dividend				**36.36**	35.97
(c) General Reserve				**43.48**	45.21
(d) Balance carried to Balance Sheet				**1,869.33**	1,733.32
				2,168.10	2,026.15
15. EARNINGS PER SHARE (Rupees) (Note 3, page 76) (Face value per share - Rs.10)					
(a) Basic				**18.38**	19.25
(b) Diluted				**18.38**	18.13
16. Notes on the Balance Sheet and Profit and Loss Account	M	73			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

For and on behalf of the Board

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

Tata Chemicals Limited

Cash Flow Statement for the year ended 31st March, 2010

		Rupees in crores 2009-10	Rupees in crores 2008-09
A	**Cash Flow from Operating Activities**		
	Net Profit before Tax	**588.13**	660.27
	Adjustments for :		
	Foreign Exchange Loss	**127.03**	265.19
	Employee Separation Compensation amortisation	**-**	0.53
	Depreciation and amortisation	**187.19**	163.03
	Reversal of Impairment	**-**	(31.84)
	Borrowing Costs	**205.73**	191.23
	(Profit) / Loss on sale of investments (net)	**(94.51)**	22.54
	Investment income	**(93.22)**	(116.99)
	Provision for doubtful debts and advances	**(1.32)**	1.76
	Provision for employee benefits	**17.15**	15.94
	Provision for diminution in value of current investments	**-**	55.86
	Loss on assets sold or discarded (net)	**18.18**	4.57
	Operating Profit before Working Capital Changes	**954.36**	1,232.09
	Adjustments for :		
	Trade and other receivables	**337.62**	(146.19)
	Bonds received in settlement of subsidy receivable	**-**	(502.79)
	Inventories	**350.16**	(303.71)
	Trade payables, other liabilities and provisions	**(665.88)**	569.65
	Payment towards employee separation compensation	**2.35**	(0.66)
	Cash Generated from Operations	**978.61**	848.39
	Taxes paid (net of refund)	**(135.54)**	(264.17)
	Net Cash generated from Operating Activities	**843.07**	**584.22**
B	**Cash Flow from Investing Activities**		
	Acquisition of fixed assets (including Capital Work-in-Progress)	**(183.33)**	(476.07)
	Proceeds on sale of fixed assets	**0.07**	0.69
	Proceeds on sale of investments	**11,324.34**	5,777.84
	Purchase of investments	**(10,794.82)**	(5,807.17)
	Investment in subsidiaries	**(486.76)**	(274.30)
	Investment in Joint Venture	**-**	(4.31)
	Loan to subsidiary (given) / repaid	**(1.07)**	(51.65)
	Interest received	**11.93**	17.22
	Dividend received	**81.29**	80.12
	Net Cash used in Investing Activities	**(48.35)**	(737.63)

Cash Flow Statement for the year ended 31st March, 2010 *(Contd.)*

		Rupees in crores 2009-10	Rupees in crores 2008-09
C	**Cash Flow from Financing Activities**		
	Repayment of borrowings	**(798.55)**	(695.93)
	Proceeds of borrowings	**524.29**	1,604.37
	Interest Paid	**(189.07)**	(175.31)
	Foreign exchange loss realised	**3.72**	1.30
	Dividends paid including distribution tax	**(246.81)**	(246.52)
	Net Cash generated from Financing Activities	**(706.42)**	487.91
	Net Increase in Cash and Cash equivalents	**88.30**	334.50
	Cash and Cash equivalents as at 1st April (Opening Balance)	**638.75**	277.63
	Exchange difference on translation of foreign currency cash and cash equivalents	**(14.40)**	26.62
	Cash and Cash equivalents as at 31st March as per Schedule I (Closing Balance)	**712.65**	638.75

Notes :

1. These transactions does not involve cash flow:
   (i) During the year, Foreign Currency Convertible Bonds of Rs. 186.64 crores (previous year Rs. 26.25 crores) were converted into shares. Accordingly, shares of the face value of Rs. 8.09 crores (previous year Rs. 1.18 crores) were issued at a premium of Rs 178.55 crores (previous year Rs 25.07 crores).
   (ii) Loans given to HIPL, subsidiary of the company of Rs. 372.43 crores in previous years were converted to preference shares during the current year.
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.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

For and on behalf of the Board

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

Tata Chemicals Limited

Schedules forming part of the Profit and Loss Account

	Rupees in crores	Previous year Rupees in crores
Schedule 1 : Sales and Operating Income		
1. **Sales and services:**		
[Item No.1, page 57]		
(a) Sales	**5,512.54**	8,536.13
(Note 25, page 90)		
(b) Processing charges	**-**	0.47
(Tax deducted at source **Rs. Nil;** previous year Rs. 0.01 crore)		
	5,512.54	8,536.60
2. **Operating income:**		
[Item No.2, page 57]		
(a) Town income	**2.07**	1.41
(Tax deducted at source **Rs. 0.01 crore**; previous year Rs. 0.01 crore)		
(b) Liabilities no longer required - written back	**19.92**	20.57
(c) Insurance claims	**5.85**	0.22
(d) Miscellaneous income	**36.54**	14.74
(Tax deducted at source **Rs. 0.06 crore**; previous year Rs. 0.15 crore)		
	64.38	36.94

Schedule 2 : Other Income

[Item No.3, page 57]

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. **Income from Long Term Trade Investments (Gross):**			
(a) Dividend income	**61.40**		62.38
(Tax deducted at source **Rs. 2.40 crores**; previous year Rs. 2.37 crores)			
(b) Profit on sale of investments (net)	**87.71**		0.81
		149.11	63.19
2. **Income from Current Investments (Gross):**			
(a) Dividend income	**19.89**		17.74
(b) Interest Income	**10.27**		14.26
(Tax deducted at source **Rs. Nil**; previous year Rs.Nil)			
(c) Profit /(Loss) on Sale of Investments (net)	**6.80**		(23.35)
(including profit of **Rs. 6.37 crores** (previous year loss of Rs. 23.37crores) in respect of fertiliser bonds received in lieu of fertiliser subsidy)			
		36.96	8.65
3. **Interest on Refund of Taxes**		**5.10**	0.23
4 **Interest received on:**			
(Tax deducted at source **Rs. 0.04 crore**; previous year Rs. 0.72 crore)			
(a) Inter-corporate loans and bank deposits	**1.14**		4.84
(b) Loans to Subsidiary	**-**		16.67
(c) Other Advances	**0.52**		1.10
		1.66	22.61
		192.83	94.68

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

Schedule 3 : Manufacturing and Other Expenses
[Item No.6, page 57]

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Raw materials consumed:			
(a) Stock on 1st April, 2009	**510.76**		313.44
(b) Add : Purchases and cost of materials	**1,899.06**		3,671.48
	2,409.82		3,984.92
(c) Less : Stock on 31st March, 2010	**328.68**		510.76
		2,081.14	3,474.16
2. **Cost of traded goods purchased**		**702.86**	2,055.07
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	**150.28**		148.04
(b) Contribution to Provident and other Funds	**14.36**		10.29
(c) Contribution to group insurance scheme	**0.03**		0.03
(d) Workmen and staff welfare expenditure	**39.99**		40.66
		204.66	199.02
4. Operation and other expenses:			
(a) Stores and spare parts consumed	**56.19**		67.62
(b) Packing materials consumed	**157.45**		151.09
(c) Power and fuel	**430.14**		609.52
(d) Repairs - Buildings	**3.73**		6.55
- Machinery	**33.38**		40.73
- Others	**2.38**		1.69
(e) Rent	**15.51**		19.68
(f) Rates and taxes	**8.06**		10.45
(g) Excise duty adjustment for stocks (net)	**0.56**		(0.65)
(h) Commission, discount and distributors' service charges	**84.04**		69.80
(i) Sales promotion expenses	**61.47**		54.44
(j) Insurance charges	**6.06**		7.67
(k) Freight and forwarding charges	**369.05**		332.66
(l) Lease rent	**-**		0.66
(m) Loss on assets sold or discarded (net)	**18.18**		4.57
(n) Provision for Doubtful debts and advances	**(1.32)**		1.76
(o) Provision for diminution in value of current investments (including **Rs. Nil** (previous year Rs. 54.66 crores) in respect of fertiliser bonds received in lieu of fertiliser subsidy)	**-**		55.86
(p) Other expenses	**169.21**		349.91
	1,414.09		1,784.01
Less: Expenditure transferred to capital account	**-**		2.26
		1,414.09	1,781.75
5. **Directors' fees / commission**		**6.22**	4.24
		4,408.97	7,514.24
6. Change in inventory of work-in-process and finished goods			
(a) Stock on 1st April, 2009	**347.99**		252.45
(b) Less : Stock on 31st March, 2010	**176.82**		347.99
		171.17	(95.54)
		4,580.14	7,418.70

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

Schedule 4 : Borrowing Costs
[Item No.7, page 57]

		Rupees in crores	Rupees in crores	Previous year Rupees in crores
1.	Interest paid on:			
	(a) Debentures and fixed loans	**172.10**		131.97
	(b) Other loans	**17.61**		13.27
			189.71	145.24
2.	Discounting & Other charges		**16.02**	45.99
	Borrowing Costs (1 + 2)		**205.73**	191.23

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)		**588.13**	660.27
	Add / (Less) :			
2.	Directors' remuneration, commission and fees	**9.41**		6.36
3.	Provision / (Reversal) of Impairment	**2.37**		(31.84)
4.	(Writeback) / Provision for Directors' retirement obligation	**(1.34)**		12.61
5.	(Writeback) / Provision for doubtful debts and advances	**(1.32)**		1.76
6.	(Profit)/Loss on sale of investments (net)	**(94.51)**		22.54
7.	Provision for diminution in the carrying value of current investments	**-**		55.86
			(85.39)	67.29
8.	Net Profit in accordance with Section 349 of the Companies Act, 1956		**502.74**	727.56
9.	Maximum amount permissible for the Managing Director and Whole-time Directors under Section 309 of the Companies Act, 1956		**50.27**	72.76
10.	Commission to the Managing Director and Whole-time Directors		**3.50**	1.50
11.	Commission to non Whole-time Directors (maximum permissible 1%)		**5.03**	7.29
12.	Commission to non Whole-time Directors		**2.50**	2.50

Note :

As the depreciation in the books is provided higher than what is required as per Schedule XIV, the excess depreciation is not considered for the purpose of above calculation.

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

Notes on the Profit and Loss Account

		Rupees in crores	Rupees in crores	Previous year Rupees in crores
1.	**Item 4(q) of Schedule 3**			
	Other expenses Rs. 169.21 crores (previous year Rs. 349.91 crores) includes :			
(a)	Exchange (gain)/loss on foreign currency transactions (net)		**22.48**	174.17
(b)	Auditors' Remuneration			
(i)	For Services as Auditors [includes Rs. 0.03 crore to Cost Auditors (previous year Rs. 0.03 crore)]	**1.38**		1.38
(ii)	For tax matters	**0.18**		0.23
(iii)	For other services [includes Rs. 0.01 crore to Cost Auditors (previous year Rs. 0.01 crore)]	**0.63**		0.51
(iv)	Reimbursement of travelling and out-of-pocket expenses .. [includes Rs. 0.01 crore to Cost Auditors (previous year Rs. 0.01 crore)]	**0.04**		0.02
(v)	Service Tax [includes Rs. 0.01 crore to Cost Auditors (previous year Rs. *)]	**0.23**		0.29
			2.46	2.43
(c)	Donations		**4.05**	1.57
(d)	Contribution to Electoral Trust .... (The Objects of the Trust *inter alia*, include holding by the Trustees of " Distribution Funds" for distribution to political parties)		**0.70**	—

		Rupees in crores	Previous year Rupees in crores
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		
(a)	Remuneration (including Rs. 0.23 crore (previous year Rs. 0.17 crore) towards Company's contribution to provident fund and superannuation fund)	**3.48**	1.75
(b)	(Writeback) / Provision for post retirement obligation	**(1.34)**	12.61
(c)	Commission .... (for computation see Schedule 5, page 62)	**3.50**	1.50
(d)	Estimated value of benefits in cash or in kind	**0.21**	0.37
		5.85	16.23

Note :

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

		Rupees in crores	Previous year Rupees in crores
3.	**Items 3 and 4 of Schedule 3 include :**		
	Expenditure incurred on Scientific Research & Development activities at Innovation Centre @		
(a)	Payment to and Provision for employees	**4.50**	5.21
(b)	Consumables	**1.45**	1.56
(c)	Other expenses	**5.38**	4.80
		11.33	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

Schedule A : Share Capital [Item No.1(a), page 56]	Rupees in crores	As at 31-Mar-09 Rupees in crores
1. **Authorised:**		
27,00,00,000 Ordinary Shares of Rs.10 each	**270.00**	270.00
(31 March, 09 27,00,00,000 Ordinary Shares of Rs.10 each)		
2. **Issued:**		
24,33,42,598 Ordinary Shares of Rs.10 each	**243.34**	235.26
(31 March, 09 23,52,55,686 Ordinary Shares of Rs.10 each)		
3. **Subscribed:**		
24,32,56,278 Ordinary Shares of Rs.10 each fully paid up	**243.26**	235.17
(31 March, 09 23,51,69,366 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
	243.32	235.23

Schedule B : Reserves and Surplus [Item No.1(b), page 56]	Rupees in crores	Rupees in crores	As at 31-Mar-09 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	**672.33**		652.41
Add / (Less) :			
(b) Premium on conversion of FCCBs (Note 8(b), page 82)	**178.65**		25.06
(c) Reversal of provision of redemption premium on conversion of FCCBs	**45.67**		5.21
(d) Revaluation of redemption premium on outstanding /converted FCCBs (Note 8(c), page 83)	**-**		(9.72)
(e) Revaluation of equity portion of FCCBs	**11.62**		—
(f) Debenture issue expenses (net of tax)	**(1.96)**		(0.63)
		906.31	672.33
5. **Foreign currency translation reserve:**			
Balance as per last account	**38.00**		(31.68)
Add : Net adjustment during the year	**-**		69.68
		38.00	38.00
6. **General reserve:**			
(a) Balance as per last account	**918.91**		875.82
(b) Add : Transferred from Profit and Loss Account	**43.48**		45.21
(c) Add : Transferred from Debenture Redemption Reserve	**-**		5.46
(d) Add : Foreign Currency Monetary Item Translation Difference (Note 26, page 90)	**2.10**		(7.58)
		964.49	918.91
7. **Debenture redemption reserve:**			
Balance as per last account	**240.00**		245.46
Less : Transferred to General Reserve	**-**		5.46
		240.00	240.00
8. **Balance in Profit and Loss Account**		**1,869.33**	1,733.32
		4,039.64	3,624.07

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

Schedule C : Loan Funds - Secured
[Item No.2(a), page 56]

		Rupees in crores	As at 31-Mar-09 Rupees in crores
Loans :			
1	From Banks : Cash Credits	**9.24**	1.96
2	From Financial Institution : Term Loan	**-**	7.52
3	Debentures	**240.00**	240.00
		249.24	249.48

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. Nil (31 March, 09 Rs. 7.52 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 : Loan Funds - Unsecured
[Item No.2(b), page 56]

	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
Short-term loans and advances :			
(a) From Banks :			
Buyer's credits (Repayable within one year)		**-**	749.58
Other loans and advances :			
(Repayable within one year Rs. Nil, 31 March, 09 Rs. 222.69 crores)			
(a) From Banks :			
External Commercial Borrowing		**2,109.87**	2,355.48
Foreign Currency Non Resident (Banking) Loan		**112.25**	-
(b) From others :			
Foreign Currency Convertible Bonds - (FCCBs) (Note 8 (a), page 82)	**-**		222.69
6.44% Senior Notes due in 2017	**75.15**		98.87
		75.15	321.56
(c) Debentures		**400.00**	-
		2,697.27	3,426.62

Notes :

(a) 10% Unsecured Redeemable Non-Convertible Debentures face value Rs.10 lakhs each redeemable at par on 2 July, 2019 of Rs.250 crores.

(b) 7.40% Unsecured Redeemable Non-Convertible Debentures face value Rs.10 lakhs each redeemable at par on 23 November, 2011 of Rs.150 crores.

Schedules forming part of the Balance Sheet (Contd.)

Schedule E : Fixed Assets
[Item No.5, page 56]

Rs. in crores

Fixed Assets	Gross Block				Depreciation / Amortisation					Impairment	Net Block	
(At Cost)	as at 1-Apr-09	Additions during the year	Deductions / Adjustments	as at 31-Mar-10	as at 1-Apr-09	For the year	Deductions	Adjustments	as at 31-Mar-10		as at 31-Mar-10	as at 31-Mar-09
1. Land :												
(a) Freehold	**15.56**	**4.74**	**-**	**20.30**	**-**	**-**	**-**	**-**	**-**	**-**	**20.30**	**15.56**
	13.32	2.24	-	15.56	-	-	-	-	-	-	15.56	13.16
(b) Leasehold	**15.02**	**0.14**	**-**	**15.16**	**3.12**	**0.16**	**-**	**-**	**3.28**	**-**	**11.88**	**11.90**
	15.02	-	-	15.02	2.96	0.16	-	-	3.12	-	11.90	12.06
2. Works :												
(a) Saltworks, Reservoirs and Pans	**38.05**	**3.24**	**-**	**41.29**	**32.93**	**0.67**	**-**	**-**	**33.60**	**-**	**7.69**	**5.12**
	38.05	-	-	38.05	31.36	1.57	-	-	32.93	-	5.12	6.69
(b) Plant and Machinery	**2,984.10**	**219.55**	**49.02**	**3,154.63**	**1,778.25**	**166.72**	**33.24**	**-**	**1,911.73**	**48.89**	**1,194.01**	**1,159.07**
	2,734.30	272.80	23.00	2,984.10	1,632.27	142.18	17.53	21.33	1,778.25	46.78	1,159.07	1,005.67
(c) Traction Lines, Railways Sidings and Wagons	**35.54**	**0.70**	**-**	**36.24**	**16.70**	**1.70**	**-**	**-**	**18.40**	**-**	**17.84**	**18.84**
	21.91	13.63	-	35.54	15.67	0.91	-	0.12	16.70	-	18.84	5.96
(d) Buildings	**240.81**	**4.91**	**-**	**245.72**	**79.54**	**6.52**	**-**	**-**	**86.06**	**3.38**	**156.28**	**157.90**
	214.01	26.83	0.03	240.81	71.39	7.00	-	1.15	79.54	3.37	157.90	133.77
3. Other Buildings #	**177.97**	**13.64**	**-**	**191.61**	**39.48**	**3.35**	**-**	**-**	**42.83**	**0.11**	**148.67**	**138.49**
	172.68	5.29	-	177.97	35.81	3.67	-	-	39.48	-	138.49	136.87
4. Water Works	**7.83**	**0.03**	**-**	**7.86**	**6.90**	**0.08**	**-**	**-**	**6.98**	**0.04**	**0.84**	**0.93**
	7.83	-	-	7.83	6.79	0.11	-	-	6.90	-	0.93	1.04
5. Furniture, Fittings and Office Equipment	**70.35**	**5.53**	**1.98**	**73.90**	**39.19**	**6.90**	**1.96**	**-**	**44.13**	**0.14**	**29.63**	**31.11**
	56.86	14.11	0.62	70.35	33.23	6.28	0.35	0.03	39.19	0.05	31.11	23.53
6. Vehicles	**17.76**	**0.69**	**1.66**	**16.79**	**11.69**	**1.37**	**1.59**	**-**	**11.47**	**0.02**	**5.30**	**6.06**
	17.46	3.72	3.42	17.76	12.90	1.54	2.84	0.09	11.69	0.01	6.06	4.45
Total	**3,602.99**	**253.17**	**52.66**	**3,803.50**	**2,007.80**	**187.47**	**36.79**	**-**	**2,158.48**	**52.58**	**1,592.44**	**1,544.98**
	3,291.44	338.62	27.07	3,602.99	1,842.38	163.42	20.72	22.72	2,007.80	50.21	1,544.98	

NOTES :

1. # 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.
2. Additions include Rs. 7.57 crores (previous year Rs. 1.87 crores) in respect of Scientific Research and Development Activites pertaining to Innovation Centre, as certified by the Management and accepted by the Auditors.
3. Gross book value and accumulated depreciation above include Rs. 13.14 crores (previous year Rs Nil) and Rs 10.77 crores (previous year Rs Nil) respectively for asset held for sale. The assets held for sale has been valued at lower of carrying value or net realisable value. Accordingly Rs 2.37 crores has been provided.
4. Depreciation for the year includes Rs. 0.28 crore (previous year Rs. 0.39 crore) capitalised.
5. 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 56]	Face Value Rupees	Holdings As at 31-Mar-10	**Rupees in crores**	**Rupees in crores**	Holdings As at 31-Mar-09	Rupees in crores
A LONG TERM INVESTMENTS						
Trade Investments :						
1. Fully paid Ordinary/Equity Shares (Quoted):						
In shares of Companies:						
The Indian Hotels Co. Ltd.	1	7,271,666	**9.82**		7,271,666	9.82
Madras Fertilisers Ltd.	10	330,000	**0.49**		330,000	0.49
Oriental Hotels Ltd.	10	432,328	**4.79**		432,328	4.79
Tata Consultancy Services Ltd. .... (including 50,000 bonus shares received)	1	100,000	*		50,000	*
Tata Investment Corporation Ltd. .... (Including 118,960 shares received on conversion of debentures)	10	416,360	**4.45**		297,400	0.58
Tata Steel Ltd. .... (including 489,715 shares received on conversion of preference shares)	10	4,251,977	**99.23**		3,762,262	69.85
Tata Motors Ltd.	10	703,741	**14.89**		703,741	14.89
Tata Motors Ltd. ('A' Ordinary)	10	100,534	**3.07**		100,534	3.07
Tata Tea Ltd.	10	4,317,514	**16.09**		4,317,514	16.09
Titan Industries Ltd. .... (810,800 Shares sold during the year)	10	691,309	**10.31**		1,502,109	22.39
				163.14		**141.97**
2. Investment in Subsidiary Companies:						
a Fully paid Ordinary/Equity Shares (Unquoted):						
Homefield International Pvt. Ltd. (HIPL)	MUR 1	90,016,001	**408.76**		90,016,001	408.76
Bio Energy Ventures - 1 (Mauritius) Pvt Ltd. .... (211,200 shares allotted during the year)	USD 1	10,372,200	**50.97**		10,161,000	49.97
Wyoming 1 (Mauritius) Pvt. Ltd. .... (40,000 shares allotted during the year)	USD 1	719,520,000	**2,969.83**		719,480,000	2,969.63
Tata Chemicals Asia Pacific Pte. Ltd. ... (2 shares transferred during the year)	SGD 1		-		2	*
b Fully Paid Ordinary / Equity Shares (Quoted):						
Rallis India Ltd. .... (5,362,923 shares acquired during the year) (Subsidiary Company w.e.f. Nov. 2009)	10	6,489,441	**479.97**		1,126,518	19.06
				3,909.53		**3,447.42**
3. Investment in Joint Ventures :						
Fully paid Ordinary/Equity Shares (Unquoted):						
Khet-Se Agriproduce India Pvt Ltd.	1	93,136,146	**9.31**		93,136,146	9.31
Indo Maroc Phosphore, S.A. , Morocco	MAD 1,000	206,666	**166.26**		206,666	166.26
Lake Natron Resources Ltd., Tanzania (500 shares transferred during the year)	TZS 1,000		-		500	*
				175.57		**175.57**
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 Chemicals Limited

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

Schedule F : Investments [Item No.6, page 56]	Face Value Rupees	Holdings As at 31-Mar-10	**Rupees in crores**	**Rupees in crores**	Holdings As at 31-Mar-09	Rupees in crores
Tata International Ltd.	1,000	24,000	**3.34**		24,000	3.34
Tata Projects Ltd.	100	193,500	**0.38**		193,500	0.38
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. #	10	1,206,545	**2.70**		1,206,545	2.70
				147.22		**147.22**
5. Fully paid Redeemable Preference Shares (Unquoted) in Others:						
7.5% Rallis India Ltd. (Redeemed during the year)	10	-	**-**		29,000,000	29.00
7% Tata Sons Ltd.	1,000	200,000	**20.00**		200,000	20.00
				20.00		**49.00**
6. Fully paid Preference Shares (Quoted) in Others:						
Tata Steel Ltd. (Converted into Equity Shares during the year)		-	**-**		2,938,290	29.38
				-		**29.38**
7. Fully paid up Preference Shares of Subsidiary Company (Unquoted)						
5% Non Cumulative Redeemable Preference Shares of HIPL (803,550 shares allotted during the year)	USD 100	803,550		**404.96**		-
LONG TERM INVESTMENTS				**4,820.42**		**3,990.56**
Less: Provision for diminution in value of investments				**0.25**		0.25
LONG TERM INVESTMENTS (net)				**4,820.17**		**3,990.31**
B CURRENT INVESTMENTS						
1. Quoted Equity Shares / Warrants, Fully Paid :						
Compuage Infocom Ltd. (sold during the year)	10	-	**-**		4,056	*
Tata Investment Corporation Ltd. - Warrants		59,480	**-**		59,480	-
			-		-	-
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**		**0.25**
3. Quoted Bonds/units :						
7% Fert. Cos' GOI SPL Bond 2022 (sold during the year)	10,000	-	**-**		95,659	95.66
6.20% Fert. Cos' GOI SPL Bond 2022 (sold during the year)	10,000	-	**-**		123,471	123.47
6.65% Fert. Cos' GOI SPL Bond 2023 (sold during the year)	10,000	-	**-**		283,658	283.66
			-			**502.79**
Less: Provision for diminution in value of investments			**-**			54.66
				-		**448.13**

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

Schedule F : Investments [Item No.6, page 56]	Face Value Rupees	Holdings As at 31-Mar-10	**Rupees in crores**	**Rupees in crores**	Holdings As at 31-Mar-09	Rupees in crores
Unit Trust of India						
6.6% Tax free - UTI Bonds .... (Redeemed during the year)	100	-	**-**		1,390,000	14.46
				-		**14.46**
4. Unquoted Bonds/ Units:						
Zero Coupon Convertible Bonds (ZCCB)						
Tata Investment Corporation Ltd. - Part A (converted into Equity Shares)	10	-	**-**		59,480	1.79
Tata Investment Corporation Ltd. - Part B (converted into Equity Shares)	10	-	**-**		59,480	2.08
				-		**3.87**
In Unit Trust of India						
- Mastershare .... (sold during the year)	10	-	**-**		96,100	0.09
UTI Balanced Fund .... (sold during the year)	10	-	**-**		35,806	0.03
				-		**0.12**
5. In units of Mutual Funds (Unquoted) :						
Franklin India Bluechip - Dividend Reinvestment .... (sold during the year)	10	-	**-**		755,862	2.61
ICICI Prudential Short Term Plan -DR Fortnightly .... (sold during the year)	10	-	**-**		4,181,530	5.06
IDFC Money Manager - Invest Plan - Plan B - Growth	10	14,058,157	**20.15**		-	-
SBI Premier Liquid Fund - Super IP - Growth	10	34,573,126	**50.00**		-	-
Tata FIP Fund - Series C3 - IP - Mthly Dividend	10	5,018,433	**5.02**		-	-
Tata Short Term Bond Fund - Dividend (sold during the year)	10	-	**-**		8,269,869	10.12
UTI Spread Fund - Dividend	10	8,981,337	**10.00**		-	-
				85.17		**17.79**
Less: Provision for diminution in value of investments				**-**		**1.20**
						16.59
CURRENT INVESTMENTS				**85.42**		**483.42**
TOTAL INVESTMENTS				**4,905.59**		**4,473.73**

Tata Chemicals Limited

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

Schedule F : Investments
[Item No.6, page 56]

	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)	**642.86**	**1,807.43**	204.62	570.82
Aggregate of Unquoted Investments (net of provision)	**4,262.73**		4,269.11	

* 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
SGD : Singapore Dollars
MUR : Mauritius Rupees
USD : United States Dollars
MAD : Moroccan Dirhams
TZS : Tanzanian Shillings

Schedule G : Inventories
[Item No.8 (a), page 56]

	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
1. Stores and spare parts, packing materials		**105.69**	102.60
2. Stock-in-Trade :			
(a) Raw materials	**328.68**		510.76
(b) Work-in-process	**14.48**		25.81
(c) Finished goods	**162.34**		322.18
		505.50	858.75
		611.19	961.35

Schedule H : Sundry Debtors
[Item No.8 (b), page 56]

	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
1. Over six months old :			
- Considered good	**153.01**		159.73
- Considered doubtful	**19.89**		25.60
		172.90	185.33
2. Others :			
- Considered good		**428.59**	842.00
		601.49*	1,027.33
Less : Provision for doubtful debts		**19.89**	25.60
		581.60	1,001.73
[Including subsidy receivable of Rs. 474.40 crores (31 March, 09 Rs. 867.44 crores)]			
* Of the above debts			
(a) Fully secured		**2.81**	17.77
(b) Unsecured		**598.68**	1,009.56
		601.49	1,027.33

Debtors include Rs. 12.84 crores (previous year Rs. Nil) receivable from "The Magadi Soda Company Limited" a subsidiary company. Maximum balance during the year is Rs 14.18 crores (previous year Rs Nil)

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

	Rupees in crores	As at 31-Mar-09 Rupees in crores
Schedule I : Cash and Bank Balances		
[Item No.8 (c), page 56]		
1. Cash on hand (including cheques on hand Rs. 8.22 crores; 31 March, 09 Rs. 7.87 crores)	**8.28**	7.95
2. Balance with scheduled banks in		
(a) Current accounts	**616.68**	502.57
(b) Deposit accounts	**87.69**	128.23
	712.65	638.75

	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
Schedule J : Loans and Advances			
[Item No.8 (d), page 56]			
(unsecured)			
1. Deposits with Government, public bodies and others :			
(a) Balances with Customs, Port Trusts, Excise etc.		**35.93**	28.16
(b) Others		**6.19**	6.81
2. Loans and advances to subsidiary #		**1.07**	372.43
3. Advance payment of taxes (net of provision)		**28.05**	72.49
4. Interest accrued on Investments		**-**	7.68
5. Other advances $			
- Considered good	**206.08**		129.40
- Considered doubtful	**0.64**		0.93
	206.72		130.33
Less: Provision for doubtful advances	**0.64**		0.93
		206.08	129.40
		277.32	616.97

\# Loans and advance to Subsidiary include Rs. 1.07 crores (previous year Rs. NIL) being application money towards subscription to Equity shares .

$ Other advances include loans:

To Officer of the Company Rs. 2,04,496 (previous year Rs. 2,51,920) Maximum balance during the year Rs. 2,51,920 (previous year Rs. 2,72,032)

Tata Chemicals Limited

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

	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
Schedule K : Current Liabilities [Item No.9 (a), page 56]			
1. Acceptances		**428.59**	243.92
2. Sundry creditors			
(i) Total dues of micro, small and medium enterprises (Note 15, page 85)		**1.60**	3.05
(ii) Total dues of other creditors		**605.33**	1,430.32
3. Sundry deposits		**29.21**	32.79
4. Pension payable on Employee Separation Scheme (Note 14 (a), page 85)		**2.35**	2.96
5. Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 (not due as on 31.03.2010 / 31.03.2009)			
(a) Unclaimed dividends	**8.91**		8.10
(b) Unclaimed debentures and interest	**0.01**		0.01
		8.92	8.11
6. Interest accrued but not due on loans		**36.07**	19.41
7 Advances from Customers		**24.07**	17.75
8. Other liabilities		**17.31**	12.68
		1,153.45	1,770.99

	Rupees in crores	As at 31-Mar-09 Rupees in crores
Schedule L : Provisions [Item No.9 (b), page 56]		
1. Proposed dividend	**218.93**	211.65
2. Tax on dividend	**36.36**	35.97
3. Provision for premium on redemption of FCCBs (Note 9(a), page 83)	**-**	46.52
4. Provision for site restoration expenditure (Note 9(b), page 83)	**12.57**	12.57
5. Provision for employee benefits	**83.15**	66.00
6. Others (Note 9(c), page 83)	**2.18**	-
	353.19	372.71

Schedule M : 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 the 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, 2009 and 2010 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.

(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.

Schedule M : 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. Equated freight claims for complex fertilisers are estimated by the Management based on the norms prescribed or notified under the uniform freight policy.

(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 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	5-7 years
Vehicles	4 years
Computers and data processing equipments	4 years
High Pressure Boiler 4 & Turbine 12	8 years
RO Water Plant	4 years
Railway wagon procured under Wagon Investment scheme	15 years

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

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

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

(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 awards, post retirement medical benefits, Directors' retirement obligations and Family Benefit Scheme. Provident fund is considered as a defined benefit plan.

Schedule M : 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, Directors' Pension Liabilities and Family Benefit Scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in 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.

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

(ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees 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 renders the services 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 at the Balance Sheet date.

(p) Derivative Contracts

The Company enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts

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

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 events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions 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 and redemption premium 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) :

			2009-10	2008-09
(a)	Profit after tax	Rs. in crores	**434.78**	452.05
(b)	The weighted average number of ordinary shares of Rs.10 each			
	Total number of shares	Nos.	**23,65,65,189**	23,48,85,004
(c)	Earnings Per Share (Basic)	Rupees	**18.38**	19.25
(d)	Profit after tax for Basic EPS	Rs. in crores	**434.78**	452.05
(e)	Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gain/(loss) and tax)	Rs. in crores	**18.97**	(10.55)
(f)	Profit after tax for Diluted EPS	Rs. in crores	**453.75**	441.50
(g)	The weighted average number of ordinary shares for Basic EPS	Nos.	**23,65,65,189**	23,48,85,004
(h)	Add: Adjustments for Foreign Currency Convertible Bonds	Nos.	**6,691,089**	85,88,794
(i)	The weighted average number of ordinary shares for Diluted EPS	Nos.	**24,32,56,278**	24,34,73,798
(j)	Earnings Per Share (Diluted)	Rupees	**18.38***	18.13

* Anti Dilutive and restricted to basis EPS

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

4 Related Party Disclosure :

(a) Related Parties and their relationship

Subsidiaries	Joint Ventures	Key Management Personnel
Direct	**Direct**	
Homefield International Pvt. Limited, Mauritius	Indo Maroc Phosphore S. A., Morocco	Mr. R. Mukundan, Managing Director
Wyoming 1 (Mauritius) Pvt. Ltd., Mauritius	Khet-Se Agri Produce India Pvt. Ltd., India	Mr. P. K. Ghose, Executive Director & CFO
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd., Mauritius		Mr. Kapil Mehan, Executive Director
Rallis India Limited, India (w.e.f, Nov' 2009)		
Indirect	**Indirect**	
Homefield Pvt. UK Limited, UK	Kemex B.V., Netherlands	
Brunner Mond Group Limited, UK	Alcad, USA	
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, USA		
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		
GCSAP Holdings LLC, USA		
GCSAP LLC, USA		
GCSAP Canada Inc, Canada		
Rallis Australasia Pty Limited, Australia		
Rallis Chemistry Exports Limited, India		

Tata Chemicals Limited

Schedule M : 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
	Rallis India Ltd.	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.	Khet-se Agri Produce India Pvt. Ltd., India.		
Interest Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	16.67	-	-	-	16.67
Purchase of goods (includes stock in transit) - Net	**0.32**	**-**	**6.62**	**-**	**-**	**-**	**392.65**	**-**	**-**	**399.59**
	-	-	18.95	-	-	-	1,205.95	-	-	1,224.90
Sale of goods	**1.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.44**
	-	-	0.65	-	-	-	-	-	-	0.65
Sale of Fixed Assets	**-**	**-**	**14.17**	**-**	**-**	**-**	**-**	**-**	**-**	**14.17**
	-	-	1.64	-	-	-	-	-	-	1.64
Investments (including advance towards subscription to equity shares)	**460.91**	**-**	**-**	**0.20**	**2.07**	**404.96**	**-**	**-**	**-**	**868.14**
	-	-	-	224.33	49.97	-	-	4.31	-	278.61
Loans given (including Interest capitalised)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.25**	**-**	**0.25**
	-	-	-	-	-	134.79	-	-	-	134.79
Amount Received (in respect of loans)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.50**	**0.01**	**0.51**
Amount Receivable	**0.33**	**-**	**12.84**	**-**	**-**	**-**	**-**	**-**	**-**	**13.17**
(in respect of interest receivable)	-	-	-	-	-	0.09	-	-	-	0.09
Amount Payable (in respect of goods purchased)	**0.07**	**-**	**-**	**-**	**-**	**-**	**147.29**	**-**	**-**	**147.36**
	-	-	2.65	-	-	-	179.81	-	-	182.46
Interest receivable	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	4.18	-	-	-	4.18
Interest paid	**-**	**-**	**-**	**-**	**-**	**-**	**2.46**	**-**	**-**	**2.46**
	-	-	-	-	-	-	-	-	-	-
Amount receivable in respect of loans as on the Balance Sheet date	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**	**0.02**
	-	-	-	-	-	372.43	-	-	0.02	372.45
Maximum amount outstanding during the year	**0.36**	**-**	**14.18**	**-**	**-**	**-**	**-**	**0.52**	**0.03**	**15.09**
	-	-	-	-	-	372.43	-	-	0.03	372.46
Dividend received	**-**	**-**	**-**	**-**	**-**	**-**	**24.04**	**-**	**-**	**24.04**
	-	-	-	-	-	-	23.71	-	-	23.71
Amounts receivable/ received on account of any Management Contracts including for deputation of employees	**-**	**-**	**0.68**	**-**	**-**	**-**	**0.10**	**0.17**	**-**	**0.95**
	-	-	1.33	-	-	-	0.76	0.54	-	2.63
Guarantees to third parties on behalf of subsidiaries	**-**	**614.23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**614.23**
	-	760.80	-	-	-	-	-	-	-	760.80

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.

Schedule M : 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 2009-10

(Rs. in crores)

Name of the Subsidiary	Outstanding as of 31 March,10	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	372.43	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-10	As at 31-Mar-09
Deferred Tax Assets :		
Provision for doubtful debts and advances	**8.70**	9.14
Provision for employee benefits	**11.62**	11.89
Exchange Difference	**89.44**	168.60
Other timing differences	**4.31**	4.41
	114.07	194.04
Deferred Tax Liability :		
Depreciation	**291.82**	284.29
Borrowing Costs	**12.01**	12.29
Other timing differences	**0.46**	0.48
	304.29	297.06
Net deferred tax liability	**(190.22)**	(103.02)

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. 5.19 crores (previous year Rs. 5.63 crores) has been charged to the Profit and Loss Account. On account of Provident Fund contribution, a sum of Rs. 4.95 crores (previous year Rs. 4.50 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, 2010. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Tata Chemicals Limited

Schedule M : 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, 2010 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)

		As at 31-Mar-10			As at 31-Mar-09		
		Gratuity	**Post retirement medical benefits**	**Directors' retirement obligations**	Gratuity	Post retirement medical benefits	Directors' retirement obligations
(i)	**Changes in the defined benefit obligation:**						
	Projected defined benefit obligation, beginning of the year	**49.64**	**11.33**	**16.02**	47.49	7.31	3.40
	Current service cost	**2.78**	**0.43**	**0.51**	2.56	0.24	0.41
	Interest cost	**3.83**	**0.88**	**1.24**	3.88	0.60	0.30
	Actuarial (gain) / loss	**0.73**	**3.36**	**(2.75)**	(2.05)	3.39	12.02
	Benefits paid	**(3.67)**	**(1.00)**	**(0.34)**	(2.24)	(0.21)	(0.11)
	Projected defined benefit obligation, end of the year	**53.31**	**15.00**	**14.68**	49.64	11.33	16.02
(ii)	**Changes in the fair value of plan assets:**						
	Fair value of plan assets, beginning of the year	**50.87**	**-**	**-**	46.83	-	-
	Expected return on plan assets	**4.21**	**-**	**-**	3.90	-	-
	Employer's contributions	**5.35**	**1.00**	**0.34**	0.62	0.21	0.11
	Actuarial gain / (loss)	**0.31**	**-**	**-**	1.76	-	-
	Benefits paid	**(3.67)**	**(1.00)**	**(0.34)**	(2.24)	(0.21)	(0.11)
	Fair value of plan assets, end of the year	**57.07**	**-**	**-**	50.87	-	-
	Liability (net)	**(3.76)**	**15.00**	**14.68**	(1.23)	11.33	16.02

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

	As at 31-Mar-10			As at 31-Mar-09		
	Gratuity	**Post retirement medical benefits**	**Directors' retirement obligations**	Gratuity	Post retirement medical benefits	Directors' retirement obligations
Current service cost	**2.78**	**0.43**	**0.51**	2.56	0.24	0.41
Interest defined benefit obligation	**3.83**	**0.88**	**1.24**	3.88	0.60	0.30
Expected return on plan assets	**(4.21)**	**-**	**-**	(3.90)	-	-
Net actuarial (gain) / loss recognised in the year	**0.41**	**3.36**	**(2.75)**	(3.81)	3.39	12.02
Past service cost	**-**	**-**	**-**	-	-	-
Effect of the Limit in Para 59(b)	**0.11**	**-**	**-**	-	-	-
Net benefit expense	**2.92**	**4.67**	**(1.00)**	(1.27)	4.23	12.73
Expected Employer's contribution next year	**-**	**0.44**	**0.59**	1.50	0.28	0.43
Actual Return on Plan Assets	**4.53**	**-**	**-**	5.66	-	-

Schedule M : 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	
	2009-10	**2008-09**
	%	%
Government of India Securities	**49**	53
Corporate Bonds	**15**	13
Special Deposit Scheme	**24**	23
Equity Shares of Listed Companies	**1**	-
Insurer Managed Funds	**9**	9
Others	**2**	2
Total	**100**	100

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

	As at 31-Mar-10				
	Gratuity & Compensated absences	**Long Service Awards**	**Post retirement medical benefits**	**Directors' retirement obligations**	**Family Benefit Scheme**
Discount rate	**8.20%** 7.61%	**8.20%** 7.61%	**8.20%** 7.61%	**8.20%** 7.61%	**8.20%** NA
Expected rate of return on plan assets	**8.50%** 8.50%	**NA** NA	**NA** NA	**NA** NA	**NA** NA
Increase in Compensation cost	**7.5% for 2 years, 10% for third year & 7.5% thereafter** 5% for first year, 7.5% for second year, 10% for third year & 7.5% thereafter	**7.5% for 2 years, 10% for third year & 7.5% thereafter** 5% for first year, 7.5% for second year, 10% for third year & 7.5% thereafter	**NA** NA	**7.5% for 2 years, 10% for third year & 7.5% thereafter** 5% for first year, 7.5% for second year, 10% for third year & 7.5% thereafter	**7.5% for 2 years, 10% for third year & 7.5% thereafter** NA
Increase in cost of award	**NA** NA	**6.00%** 6.00%	**NA** NA	**NA** NA	**NA** NA
Healthcare cost increase rate	**NA** NA	**NA** NA	**6.00%** 6.00%	**NA** NA	**NA** NA
Pension increase rate	**NA** NA	**NA** NA	**NA** NA	**5.00%** 5.00%	**NA** NA

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

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

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

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

(vi) Effect of Change in Assumed Health Care Cost Trend Rate (Rs. in crores)

	2009-10		2008-09	
	1% increase	**1% decrease**	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	**0.31**	**(0.32)**	0.27	(0.26)
Effect on defined benefit obligation	**2.86**	**(2.23)**	2.46	(1.87)

Tata Chemicals Limited

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

(vii) Experience Adjustments (Rs. in crores)

	Gratuity					Directors' retirement obligations				
	2009-10	2008-09	2007-08	2006-07	2005-06	**2009-10**	2008-09	2007-08	2006-07	2005-06
Defined Benefit Obligation	**53.31**	49.64	47.49	45.34	40.59	**14.67**	16.02	3.40	-	-
Plan Assets	**57.08**	50.87	46.83	43.06	41.50	**-**	-	-	-	-
Surplus / (Deficit)	**3.77**	1.23	(0.67)	(2.28)	0.91	**(14.67)**	(16.02)	(3.40)	-	-
Experience Adjustments on Plan Liabilities	**3.47**	(1.81)	(2.77)	3.90	-	**(0.16)**	10.46	-	-	-
Experience Adjustments on Plan Assets	**0.31**	1.76	2.39	(3.03)	-	**-**	-	-	-	-
	Post retirement medical benefits					**Family Benefit Scheme**				
Defined Benefit Obligation	**15.00**	11.32	7.31	5.88	6.24	**11.32**	-	-	-	-
Plan Assets	**-**	-	-	-	-	**-**	-	-	-	-
Surplus / (Deficit)	**(15.00)**	(11.32)	(7.31)	(5.88)	(6.24)	**(11.32)**	-	-	-	-
Experience Adjustments on Plan Liabilities	**4.95**	2.60	1.00	(0.40)	-	**-**	-	-	-	-
Experience Adjustments on Plan Assets	**-**	-	-	-	-	**-**	-	-	-	-

(viii) 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 as per audited figures are given below :

(Rs. in crores)

PARTICULARS	**Khet-se Agriproduce India Pvt. Ltd.**		**IMACID**		**Kemex B.V.**		**ALCAD**		**Joil (S) Pte. Ltd**	
Country of Incorporation	**India**		**Morocco**		**Netherlands**		**United States of America**		**Singapore**	
Percentage of ownership interest	**50.00%**		**33.33%**		**49.99%**		**50.00%**		**33.78%**	
	2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
LIABILITIES										
Loan Funds	**3.97**	-	**2.27**	23.31	**2.11**	4.70	**-**	-	**-**	-
Current Liabilities	**1.65**	1.95	**39.89**	99.25	**0.59**	1.23	**-**	5.68	**0.35**	-
ASSETS										
Fixed Asset-Net Block	**4.73**	4.94	**58.39**	82.16	**-**	5.30	**-**	-	**16.92**	16.87
Current Assets	**2.44**	0.57	**161.36**	212.48	**2.54**	4.58	**-**	7.98	**25.58**	33.31
INCOME										
Sales and Operating income	**3.59**	1.85	**369.85**	867.66	**5.76**	9.92	**112.43**	92.02	**0.03**	0.01
Other Incomes	**0.01**	0.11	**1.45**	3.46	**-**	-	**-**	-	**0.04**	-
EXPENDITURE										
Manufacturing and other expenses	**5.09**	5.33	**310.95**	793.12	**5.79**	9.16	**74.11**	59.14	**3.95**	0.43
Interest expense	**0.28**	*	**1.36**	0.13	**-**	0.18	**-**	-	**-**	-
Depreciation	**0.36**	0.42	**24.53**	30.60	**-**	0.86	**-**	-	**2.56**	-
Provision for Tax	**-**	0.03	**4.62**	11.15	**(0.15)**	(0.05)	**-**	-	**-**	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	**(2.13)**	(3.82)	**29.84**	36.12	**0.12**	(0.23)	**38.32**	32.88	**(6.44)**	(0.42)
CONTINGENT LIABILITIES	**0.10**	0.08	**-**	-	**-**	-	**-**	-	**-**	-
CAPITAL COMMITMENTS	**-**	-	**4.43**	1.31	**-**	-	**-**	-	**-**	-

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 had 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 was subject to certain adjustments for Corporate actions and consequently the conversion price was changed to Rs.230.78 per ordinary share. Further, under certain conditions the Company had an option of early redemption in whole but not in part.

(b) During the year 2009-10, the Company got notices for conversion of USD 42.756 million (previous year USD 6.215 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 80,86,912 (previous year 11,75,510) Ordinary share of Face Value Rs.10.

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

(c) Exchange loss of Rs Nil (previous year exchange loss of Rs 9.72 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, 2010 :**

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

(Rs. in crores)

	As at 31-Mar-10	As at 31-Mar-09
Opening Balance	**46.52**	42.01
Add :- Reversal of Provision for Premium on Redemption of FCCBs on conversion of FCCBs	**(45.30)**	(5.21)
Payment on redemption on Repayment of FCCBs	**(1.11)**	-
Exchange difference on redemption of FCCBs	**(0.11)**	9.72
Closing Balance	**-**	46.52

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-10	As at 31-Mar-09
Opening Balance	**12.57**	12.57
Add : Provision during the year	**-**	-
Less : Payments / Reversal during the year	**-**	-
Closing Balance	**12.57**	12.57

(c) Others (The Company has created a provision, the disclosure relating to the provision would prejudice the position of the Company on the subject matter of the provision) :

(Rs. in crores)

	As at 31-Mar-10	As at 31-Mar-09
Opening Balance	**-**	-
Add : Provision during the year	**2.18**	-
Less : Payments / Reversal during the year	**-**	-
Closing Balance	**2.18**	-

10 **Derivative Instruments :**

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

(i) Forward currency exchange contracts USD-INR amounting to **USD Nil** for the purpose of hedging its exposures to foreign currency loans (previous year USD 134.96 million)

(ii) Forward currency exchange contracts USD- INR amounting to **USD 87.41 million** for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 40.90 million)

(iii) Accounts payable **USD 2.89 million, CHF 0.19 million & EUR 0.19 million** (previous year USD 80.13 million)

Tata Chemicals Limited

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

(iv) Currency options contracts USD- INR amounting to **USD 26 million** with an intent to hedge its exposures to foreign currency loans (previous year USD 65 million). FCCBs outstanding as on 31 March, 10 is **USD Nil million** (previous year USD 43.906 million)

(v) Full Currency Swap to hedge against fluctuations in exchange rates **USD 76 million** (previous year Notional principal USD 75 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) Long Term Forward Contract USD-INR **35 million** (previous year nil) to hedge against fluctuation in exchange rates for the purpose of hedging its exposure to foreign currency long term loans (Previous year USD Nil 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 4.41 million** (previous year USD 1.05 million)

(ii) Foreign Currency Loans **USD Nil** (previous year USD 12.83 million)

(iii) Loans and Advances **USD Nil** (previous year USD 73.43 million)

(iv) Acceptances **USD 8.78 million** (previous year USD 7.19 million)

(v) Accounts payable **USD 116 million** (previous year USD 234.67 million)

(vi) Liability arising out of cross currency swap **USD 382 million** (previous year USD 425 million).

11 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. 56.15 crores** (previous year Rs.36.68 crores).

(b) Capital commitment towards investment in joint venture Khet-Se Agri Produce India Private Limited **Rs. 43.69 crores** (previous year Rs.43.69 crores).

(c) Capital commitment towards investment in proposed project at Mozambique **Rs. 41.75 crores** (previous year Rs. 16.36 crores).

12 Contingent Liabilities :

(a) **Guarantees:**

(i) Bank Guarantees issued by Banks on behalf of the Company **Rs. 91.85 crores** (previous year Rs. 212.51 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 136.80 million** (Rs. 614.23 crores) (previous year USD 150 million (Rs. 760.80 crores))

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

(Rs. in crores)

		As at 31-Mar-10	As at 31-Mar-09
(i)	Excise and Customs	**90.02**	84.34
(ii)	Sales Tax	**23.39**	26.49
(iii)	Demand for utility charges	**57.41**	57.99
(iv)	Labour and other claims against the Company not acknowledged as debt	**0.98**	2.64
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	**208.14**	61.97
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	**38.73**	64.80

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

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

13 Operating Leases :

(Rs. in crores)

		As at 31-Mar-10	As at 31-Mar-09
(a)	Total of minimum lease payments	**160.51**	181.18
	The total of future minimum lease payments under non-cancellable operating leases for a period :		
	Not later than one year	**15.11**	16.36
	Later than one year and not later than five years	**68.40**	69.95
	Later than five years	**77.00**	94.87
(b)	Lease payments recognised in the statement of profit and loss for the year	**15.11**	16.36

(c) The lease deposit of **Rs. 25 crores** (previous year 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.2.17 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 payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. The Company has entered into operating lease arrangement for storage tank from a vendor. 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. 0.27 crore (previous year Rs.0.87 crore) is payable under the scheme within one year.

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, 2010 as follows :

(Rs. in crores)

			As at 31-Mar-10	As at 31-Mar-09
(a)	(i)	Principal amount remaining unpaid to any supplier as on 31 March, 2010	**1.60**	3.05
	(ii)	Interest on (a)(i) above	**-**	-
(b)	(i)	The amount of principal paid beyond the appointed date	**3.53**	3.12
	(ii)	The amount of interest paid beyond the appointed date	**-**	-
(c)		Amount of interest due and payable on delayed payments	**0.02**	0.01
(d)		Amount of interest accrued and due as at 31st March, 2010	**0.02**	0.02
(e)		Total outstanding dues of micro enterprises and small enterprises	**1.60**	3.05

Tata Chemicals Limited

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

16 Licensed and installed capacities :

	As at 31-Mar-10		As at 31-Mar-09	
	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 #	**52,700**	**52,700**	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
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.

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

N.A. Not Applicable

N.R. Not Required

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

17 Production and Sales :

	Production/Purchase		**Internal Use ##**		**Sales**			
	2009-10	2008-09	**2009-10**	2008-09	**2009-10**		2008-09	
	Tonnes	Tonnes	**Tonnes**	Tonnes	**Tonnes**	**Rs. in crores**	Tonnes	Rs. in crores
Soda Ash	**695,721**	695,115	**23,444**	19,783	**675,481**	**924.89**	670,396	1,041.87
Sodium Bicarbonate	**71,804**	63,510	**135**	230	**71,071**	**104.44**	63,941	103.92
Caustic Soda	**9,509**	7,640	**2,826**	2,511	**6,683**	**8.91**	5,129	12.02
Liquid Chlorine	**1,763**	1,654	**245**	116	**1,524**	**0.25**	1,534	0.38
Hydrochloric Acid	**14,787**	11,813	**12,164**	9,817	**2,623**	**0.11**	1,996	0.11
Bromine	**1,376**	1,408	**-**	-	**1,380**	**10.19**	1,472	12.93
Vacuum Salt #	**589,398**	527,466	**11,302**	23,374	**552,985**	**521.87**	504,630	426.41
Pure Salt	**2,978**	6,986	**25**	-	**3,679**	**2.76**	6,135	4.54
Solar Salt	**192,420**	102,995	**1,980**	-	**192,420**	**5.81**	101,014	3.03
Gypsum	**253,195**	364,682	**8,132**	18,373	**258,669**	**17.59**	338,305	16.86
Cement	**453,901**	405,325	**5,421**	15,031	**448,685**	**178.45**	390,340	164.59
Clinker	**419,164**	419,757	**388,077**	415,775	**31,087**	**6.68**	3,982	0.90
Ammonia	**700,978**	583,362	**701,574**	583,362	**-**	**-**	-	-
Urea **	**1,231,211**	1,020,691	**-**	2,253	**1,222,796**	**1,181.46**	1,067,189	1,220.08
Sodium Tripoly phosphate (STPP)	**13,526**	26,912	**9**	32	**14,139**	**68.22**	26,575	198.38
Diammonium Phosphate (DAP)	**184,392**	148,096	**186**	1,539	**187,002**	**373.32**	181,930	1,087.77
NPK **	**394,355**	416,043	**291**	(966)	**423,786**	**1,026.56**	394,945	1,759.00
Single Super Phosphate **	**97,249**	127,710	**-**	3,983	**93,248**	**58.90**	128,342	160.19
Sulphuric Acid	**133,885**	178,567	**83,552**	127,800	**51,162**	**15.99**	51,128	51.56
Phosphoric Acid	**8,919**	20,955	**8,288**	21,278	**-**	**-**	-	-
Sulphonic Acid @	**11**	85	**-**	-	**8**	*****	100	0.91
Tata Swach - Crystal	**36,823**	-	**-**	-	**33,012**	**2.42**	-	-
Tata Swach - Bulb	**756**	-	**-**	-	**682**	**0.02**	-	-
Tata Swach - Bulb- R - Supreme	**50,180**	-	**-**	-	**50,180**	**0.84**	-	-
Tap	**2,081**	-	**-**	-	**2,072**	**0.01**	-	-
Mesh-3	**100**	-	**-**	-	**-**	**-**	-	-
Mesh-1 & 2	**100**	-	**-**	-	**-**	**-**	-	-
Sale of Purchased Materials :								
Solar Evaporated Salt I shakti	**207,261**	165,398	**-**	-	**200,270**	**127.35**	159,893	98.76
Diammonium Phosphate (DAP)	**66,650**	220,278	**382**	1,016	**66,299**	**138.18**	219,332	1,246.37
Muriate of Potash (MOP)	**182,072**	251,044	**5,213**	17,398	**190,172**	**500.72**	243,087	757.09
Others						**236.60**		168.93
						5,512.54		8,536.60

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

@ Excludes quantities processed under conversion arrangement **NIL tonnes** (previous year 315 tonnes)

\## After adjusting excess / shortage

** Production figures include Bulk Production

Cost of Traded Products :

(Rs. in crores)

	2009-10	2008-09
Solar Evaporated Salt I shakti	**39.81**	26.65
DAP	**122.14**	1,259.88
MOP	**379.31**	632.92
Others	**161.60**	135.62
Total	**702.86**	2,055.07

Tata Chemicals Limited

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

18 Closing Stocks of Finished Goods :

	As at 31-Mar-10		As at 31-Mar-09		As at 31-Mar-08	
	Tonnes	**Rs. in crores**	Tonnes	Rs. in crores	Tonnes	Rs. in crores
Soda Ash	**13,472**	**13.44**	16,676	13.96	11,740	8.95
Sodium Bicarbonate	**1,165**	**0.95**	567	0.65	1,227	0.90
Liquid Chlorine	**17**	**0.01**	23	-	18	0.01
Bromine	**7**	**0.04**	11	0.06	82	0.38
Vacuum Salt	**61,042**	**19.89**	35,931	11.57	36,469	10.93
Pure Salt	**5**	**0.00**	731	0.20	103	0.02
Solar Salt	**-**	**-**	1,980	0.02	-	-
Gypsum	**43,665**	**1.17**	57,271	1.35	49,268	0.41
Cement	**1,282**	**0.39**	1,487	0.39	1,533	0.32
Urea	**45,188**	**30.65**	36,973	32.94	85,723	65.21
Sodium Tripolyphosphate (STPP)	**53**	**0.23**	675	3.12	369	1.77
Diammonium Phosphate (DAP)	**1,179**	**2.17**	4,056	9.09	39,429	63.62
NPK **	**990**	**1.83**	30,705	75.81	8,641	11.54
Single Super Phosphate **	**3,066**	**1.67**	1,107	0.98	5,723	0.06
Sulphuric Acid	**2,449**	**0.79**	3,278	0.89	3,639	1.67
Phosphoric Acid	**733**	**4.01**	102	0.66	425	1.07
Sulphonic Acid	**4**	**0.03**	1	0.01	16	0.10
Tata Swach - Crystal	**3,811**	**0.25**	-	-	-	-
Tata Swach - Bulb	**74**	**0.00**	-	-	-	-
Tata Swach - Bulb- R -Supreme	**-**	**-**	-	-	-	-
Tap	**9**	**0.00**	-	-	-	-
Mesh-3	**100**	**0.00**	-	-	-	-
Mesh-1 & 2	**100**	**0.00**	-	-	-	-
Others	**-**	**0.05**	-	22.01	-	11.61
Traded Goods :						
Solar Evaporated Salt I shakti Mithapur	**22,344**	**7.75**	15,353	5.18	9,849	1.64
Complex Fertilisers	**2**	**23.93**	33	0.08	103	0.16
Muriate of Potash (MOP)	**32,827**	**53.10**	46,140	143.21	55,581	56.91
	233,586	**162.34**	253,101	322.18	309,941	237.29

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

19 Raw Materials consumed :

(inclusive of materials produced and captively consumed)

		2009-10		2008-09	
	Measure	**Quantity**	**Rs. in crores**	Quantity	Rs. in crores
Limestone @	**Tonnes**	**1,744,194**	**87.02**	1,627,681	99.32
Liquid Ammonia #	**Tonnes**	**2,671**	**4.28**	3,213	7.00
Salt *	**Tonnes**	**1,979,503**	**24.86**	1,881,956	23.66
Coke	**Tonnes**	**40,881**	**82.82**	45,873	99.66
Anthracite Coal	**Tonnes**	**72,765**	**61.05**	59,753	38.79
Natural Gas	**SCM**	**370,763,149**	**352.89**	154,050,721	93.20
RLNG	**SCM**	**118,871,131**	**152.07**	213,464,470	269.98
Naptha	**KL**	**485**	**0.86**	29,956	75.62
Phosphoric Acid	**Tonnes**	**192,620**	**528.11**	182,139	1,695.91
Ammonia	**Tonnes**	**91,799**	**148.82**	87,572	239.70
MOP	**Tonnes**	**170,559**	**454.23**	169,912	408.31
Rock	**Tonnes**	**88,680**	**80.57**	151,656	173.03
Sulphur	**Tonnes**	**45,427**	**21.53**	59,914	162.73
Soda Ash	**Tonnes**	**14,407**	**11.82**	32,315	45.65
Other Raw Materials **	**Tonnes**	**186,141**	**70.21**		62.05
			2,081.14		3,494.61

@ Includes **Rs.0.83 crore** (Previous Year Rs. 4.95 crores) pertaining to Wages, Salaries and other revenue account

Includes **Rs.0.54 crore** (Previous Year Rs. 0.72 crore) pertaining to Wages, Salaries and other revenue account

* Includes **Rs. 5.65 crores** (Previous Year Rs. 5.89 crores) pertaining to Wages, Salaries and other revenue account

** Includes **Rs 8.60 crores** (Previous Year Rs. 8.89 crores) pertaining to Wages, Salaries and other revenue account

20 Value of Imports (C.I.F. Value) : (Rs. in crores)

		2009-10	2008-09
(a)	Raw Materials, fuel and traded products	**1,712.17**	4,741.43
(b)	Stores, components and spare parts	**9.11**	19.78
(c)	Capital goods	**35.58**	79.04
		1,756.86	4,840.25

(Rs. in crores)

21 Expenditure in Foreign Currencies :

		2009-10	2008-09
(a)	For Technical know how fees @	**4.21**	4.20
(b)	Interest #	**141.69**	159.40
(c)	Payments on other accounts #	**4.28**	14.43
		150.18	178.03

@ Expenditure Rs. 3.62 crores at gross of TDS and Rs. 0.59 crore net of TDS for the year 2009-10.

Expenditure at gross of TDS for the year 2009-10.

Schedule M : 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. 21.80 crores (previous year Rs. 26.62 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 2008-09, for which dividend was declared during the year, are as under :

		2009-10	2008-09
(a)	Number of Non-Resident Shareholders	**2,903**	2,263
(b)	Number of Ordinary Shares held by them	**2,42,23,109**	2,95,80,488
(c)	Gross amount of dividend (Rs. in crores)	**21.80**	26.62

(Rs. in crores)

23 Earnings in Foreign Exchange :

		2009-10	2008-09
(a)	Export of goods on F.O.B. basis	**89.63**	92.75
(b)	Interest	**1.14**	16.66
(c)	Dividend	**24.04**	23.71
		114.81	133.12

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

		2009-10				2008-09			
		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	**1,712.17**	**82.27**	**11.10**	**19.75**	2,720.62	77.85	11.26	16.66
(b)	Indigenous	**# 368.97**	**17.73**	**45.08**	**80.25**	# 773.99	22.15	56.36	83.34
		2,081.14	**100.00**	**56.18**	**100.00**	3,494.61	100.00	67.62	100.00

\# Includes Rs. 15.61 crores (previous year Rs. 20.45 crores) pertaining to wages, salaries and other revenue accounts.

25 Sales includes subsidy income of Rs. 2059.69 crores (previous year Rs. 4,683.58 crores)

26 During the previous year the Company had 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, 2009 and 2010 have been recognised over the shorter of the maturity period of the loan or 31st March, 2011. The unamortised balance as at the Balance Sheet date of Rs. 7.89 crores (net of tax) (previous year Rs. 237.39 crores) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).

27 Rallis India Limited (Rallis) had become an associate of the Company in August 2009. Consequent to the preferential allotment of 9,80,000 equity shares by Rallis to the Company in November 2009, the effective holding of the Company in Rallis has become 50.06%. Accordingly, Rallis has become a subsidiary of the Company from associate from that date.

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

28 Insurance claim for loss of profits

The production at Company's Fertilizer Plant at Babrala has been temporarily disrupted due to fault in Synthesis Converter in ammonia plant. The Company has adequate insurance coverage towards cost of repairs and loss of profits. Insurance claim for loss of profit has been accrued for the affected period based on the Management's estimates.

29 Strike at Haldia Plant

The operations at Haldia plant were disrupted due to strike by contract labour during the period 24th February to 26th March, 2010. While the workforce has resumed duty, the disputed matter is pending with the additional labour commissioner.

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

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

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

For and on behalf of the Board

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

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

Tata Chemicals Limited

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	2893	State Code	11
Balance Sheet Date	31 (Date)	03 (Month)	10 (Year)

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	7419689	Total Assets	7419689

Sources of Funds

Paid up Capital	243320	Reserves and Surplus	4039640
Secured Loans	249240	Unsecured Loans	2697270
Deferred Tax Liability (Net)	190219		

Application of Funds

Net Fixed Assets	1830092	Investments	4905586
Net Current Assets	684011	Misc. Expenditure	NIL
Accumulated Losses	NIL		

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

	Turnover	5769747		Total Expenditure	5186113
+/- +	Profit before tax	588133	+/- +	Profit after tax	434769
	Earnings per Share in Rs.	18.38		Dividend rate %	90

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

Item code no. (ITC Code)	0031021000
Product Description	UREA
Item code no. (ITC Code)	0028362009
Product Description	SODA ASH
Item code no. (ITC Code)	0031053000
Product Description	DIAMMONIUM PHOSPHATE

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, 2010	Profit/(loss) so far as it concerns the members of Tata Chemicals Limited and not dealt with in the accounts of Tata Chemicals Limited as on March 31, 2010 (Rs. in crores)	Profit/(loss) so far as it concerns the members of Tata Chemicals Limited and dealt with in the accounts of Tata Chemicals Limited as on March 31, 2010 (Rs. in crores)
Homefield International Pvt. Ltd.	March 31, 2010	100%	13.93	NIL
Homefield Pvt. UK Ltd.	March 31, 2010	100%	(35.60)	NIL
Brunner Mond Group Limited	March 31, 2010	100%	(24.67)	NIL
Wyoming 1 (Mauritius) Pvt. Ltd.	March 31, 2010	100%	(0.11)	NIL
Wyoming 2 (Mauritius) Pvt. Ltd.	March 31, 2010	100%	(0.11)	NIL
Gusiute Holdings (UK) Ltd.	March 31, 2010	100%	(0.11)	NIL
Valley Holdings Inc.	March 31, 2010	100%	184.20	NIL
Bio-Energy Venture-1 (Mauritius) Pvt. Ltd.	March 31, 2010	100%	(0.11)	NIL
Bio-Energy Venture-2 (Mauritius) Pvt. Ltd.	March 31, 2010	100%	(0.11)	NIL
Tata Chemicals Asia Pacific Pte. Ltd.	March 31, 2010	100%	(0.08)	NIL
Rallis India Ltd.	March 31, 2010	50.06%	18.94	NIL

For and on behalf of the Board

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

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

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.	404.17	83.19	487.37	487.37	412.00	16.53	16.39	2.46	13.93	-
Homefield Pvt. UK Ltd.	459.68	(136.79)	897.86	897.86	918.44	1.48	(35.49)	0.11	(35.60)	-
Brunner Mond Group Limited@	0.68	134.09	885.67	885.67	-	1,834.02	(40.24)	(15.57)	(24.67)	-
Wyoming 1 (Mauritius) Pvt. Ltd.	3,230.64	0.04	3,230.69	3,230.69	3,230.64	-	(0.11)	-	(0.11)	-
Wyoming 2 (Mauritius) Pvt. Ltd.	3,230.64	(0.20)	3,230.49	3,230.49	3,230.51	-	(0.11)	-	(0.11)	-
Gusiute Holdings (UK) Ltd.	3,230.51	(35.71)	3,194.80	3,194.80	3,230.64	-	(0.11)	-	(0.11)	-
Valley Holdings Inc.@	*	3,553.25	4,809.47	4,809.47	-	1,759.55	341.76	45.42	296.34	-
Bio-Energy Venture-1 (Mauritius) Pvt. Ltd.	47.60	(0.17)	47.43	47.43	47.37	-	(0.11)	-	(0.11)	-
Bio-Energy Venture-2 (Mauritius) Pvt. Ltd.	47.37	(0.17)	47.20	47.20	47.20	-	(0.11)	-	(0.11)	-
Tata Chemicals Asia Pacific Pte. Ltd.	48.40	(0.09)	48.31	48.31	48.12	-	(0.08)	-	(0.08)	-
Rallis India Ltd.	12.96	411.49	432.57	432.57	140.23	344.09	56.84	18.91	37.93	12.96

@ 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 Share Capital in respect of Valley Holdings 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 Networth (%)	Fixed Assets Cover (No. of times)	Working Capital Turnover (%)	Market Capitlali-sation as on 31st March (Rs Crs)
2000-01	1,470.00	1,405.25	12%	9.13	5	37%	11%	9%	0.51	52%	687.33
2001-02	1,387.10	1,357.68	9%	7.02	5	34%	10%	7%	0.48	50%	839.97
2002-03	1,612.42	1,535.27	13%	10.88	5.5	28%	12%	12%	0.54	41%	1,190.41
2003-04	2,632.79	2,544.15	9%	10.25	5.5	24%	12%	12%	0.84	34%	2,293.62
2004-05	3,097.91	3,008.14	11%	15.83	6.5	36%	14%	17%	0.98	39%	3,260.96
2005-06	3,638.23	3,518.59	10%	16.41	7	37%	14%	17%	1.12	48%	5,675.48
2006-07	4,107.08	3,985.03	11%	20.65	8	28%	17%	19%	1.24	22%	4,451.55
2007-08	4,207.13	4,075.62	23%	42.82	9	38%	24%	32%	1.24	23%	6,570.55
2008-09	8,537.21	8,399.65	5%	19.25	9	48%	12%	12%	2.33	13%	3,328.82
2009-10	5,512.54	5,476.64	8%	18.38	9	40%	11%	11%	2.48	12%	7,982.45

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

TATA CHEMICALS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA CHEMICALS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

3. Attention is invited to Note 8 (d) of Schedule M regarding the accounting of actuarial gains and losses on employee pension funds of overseas subsidiaries in "Reserves and Surplus" in accordance with the generally accepted accounting principles applicable in the country of incorporation for the reasons stated therein, as against such gains and losses being accounted in the Profit and Loss Account as per the Indian generally accepted accounting principles. Had the group followed the previous practice of recognising such gains and losses in the Profit and Loss Account, the consolidated net profit before tax and net profit after tax after minority interest of the Group for the year ended 31st March, 2010 would have been lower by Rs. 252.37 crores and Rs.161.35 crores respectively.

4. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets (net) of Rs. 6,896.66 crores as at 31st March, 2010, total revenues of Rs. 4,073.02 crores and net cash inflow amounting to Rs.95.17 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 and joint ventures, is based solely on the reports of the other auditors.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

6. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, in our opinion, read with our comments in paragraph 3 above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
   (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
(Reg. No. 117366W)

NALIN M. SHAH
Partner
(Membership No.: 15860)

For **N. M. RAIJI & CO.**
Chartered Accountants
(Reg. No. 108296W)

J. M. GANDHI
Partner
(Membership No.: 37924)

MUMBAI, 24th May, 2010

Tata Chemicals Limited

Consolidated Balance Sheet as at 31st March, 2010

	Schedule	Page	Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	102		**243.32**	235.23
(b) Reserves and Surplus	B	102		**4,473.10**	4,534.55
				4,716.42	4,769.78
2. MINORITY INTEREST				**350.06**	152.19
3. DEFERRED CAPITAL GRANT				**4.32**	9.03
4. LOAN FUNDS					
(a) Secured Loans	C	103	**1,838.85**		2,325.28
(b) Unsecured Loans	D	103	**3,154.87**		3,958.53
				4,993.72	6,283.81
5. DEFERRED TAX LIABILITY (net) (Note 6, page 117)				**190.39**	111.57
6. TOTAL				**10,254.91**	11,326.38
APPLICATION OF FUNDS					
7. FIXED ASSETS					
(a) Gross Block			**7,472.20**		7,019.60
(b) Less : Depreciation and Impairment			**4,159.66**		3,735.12
(c) Net Block	E	104	**3,312.54**		3,284.48
(d) Capital Work-in-Progress			**518.42**		482.48
				3,830.96	3,766.96
8. GOODWILL ON CONSOLIDATION				**5,324.70**	5,621.28
9. INVESTMENTS	F	105		**557.66**	869.79
10. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE (Note 19, page 124)				**7.89**	237.39
11. DEFERRED TAX ASSET (net) (Note 6, page 117)				**176.54**	99.04
12. CURRENT ASSETS ,LOANS AND ADVANCES					
(a) Inventories	G	106	**958.72**		1,267.65
(b) Sundry Debtors	H	106	**1,111.08**		1,635.76
(c) Cash and Bank Balances	I	106	**1,158.90**		989.85
(d) Loans and Advances	J	107	**537.33**		520.44
			3,766.03		4,413.70
Less:					
13. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	107	**2,102.09**		2,465.68
(b) Provisions	L	107	**1,306.78**		1,216.10
			3,408.87		3,681.78
14. NET CURRENT ASSETS (12-13)				**357.16**	731.92
15. TOTAL				**10,254.91**	11,326.38
16. Notes on the Balance Sheet and Profit and Loss Account	M	108			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

For and on behalf of the Board

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

Consolidated Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Page	Rupees in crores	Rupees in crores	Previous year Rupees in crores
INCOME					
1. Sales and services	1(1)	100	**9,567.57**		12,826.49
Less: Excise Duty			**119.08**		174.51
Net Sales				**9,448.49**	12,651.98
2. Operating Income	1(2)	100		**95.30**	120.59
3. Other Income	2	100		**168.81**	60.04
4. TOTAL INCOME				**9,712.60**	12,832.61
EXPENDITURE					
5. Manufacturing and Other Expenses	3	100	**7,706.35**		10,885.86
6. Borrowing Costs	4	101	**393.18**		395.26
7. Restructuring costs for overseas operations (Note 18, page 124)			**90.21**		-
8. Foreign exchange loss on borrowings			**108.28**		92.31
			8,298.02		11,373.43
9. Depreciation and Amortisation	E	104	**446.78**		422.64
10. Impairment of assets (net of reversal) (Note 18, page 124)			**34.90**		119.22
TOTAL EXPENDITURE				**8,779.70**	11,915.29
PROFIT BEFORE TAX				**932.90**	917.32
11. **PROVISION FOR TAX**					
(a) Current (includes short provision of prior years Rs. 15.17 crores (previous year Rs. Nil))			**262.73**		278.68
(b) Deferred			**(53.41)**		(122.67)
(c) Fringe Benefit Tax			**-**		1.50
				209.32	157.51
PROFIT AFTER TAX BEFORE MINORITY INTEREST				**723.58**	759.81
12. MINORITY INTEREST				**131.14**	111.71
13. SHARE OF PROFIT IN ASSOCIATE (Note 10, page 121)				**13.47**	-
14. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				**605.91**	648.10
15. BALANCE BROUGHT FORWARD				**2,081.15**	1,728.46
16. **AMOUNT AVAILABLE FOR APPROPRIATIONS**				**2,687.06**	2,376.56
17. APPROPRIATIONS :					
(a) Proposed Dividend				**218.93**	211.65
(b) Tax on Dividend				**37.11**	35.97
(c) General Reserve				**53.58**	45.21
(d) Other Reserves				**2.48**	2.58
(e) Balance carried to Balance Sheet				**2,374.96**	2,081.15
				2,687.06	2,376.56
18. EARNINGS PER SHARE (Rupees) (Note 4, page 115 and Note 8(d), page 117) (Face value per share- Rs. 10)					
(a) Basic				**25.61**	27.59
(b) Diluted				**25.61**	26.19
19. Notes on the Balance Sheet and Profit and Loss Account	M	108			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

For and on behalf of the Board

Ratan N. Tata — *Chairman*
R. Gopalakrishnan — *Vice-Chairman*
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R. Mukundan — *Managing Director*
Kapil Mehan — *Executive Director*
P. K. Ghose — *Executive Director & CFO*

Tata Chemicals Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2010

		Rupees in crores 2009-10	Rupees in crores 2008-09
A	**Cash Flow from Operating Activities**		
	Net Profit before Tax	**932.90**	917.32
	Adjustments for :		
	Foreign Exchange (Gain) / Loss on Borrowings	**108.28**	92.31
	Employee Separation Compensation Amortisation	**-**	0.53
	Depreciation & Amortisation	**446.78**	422.64
	Impairment of assets (net of reversal)	**34.90**	119.22
	Borrowing Costs	**393.18**	395.26
	Interest Income	**(8.22)**	(10.74)
	Amortisation of Capital Grant	**(4.71)**	(5.76)
	(Profit) / Loss on sale of investments (net)	**(94.51)**	22.53
	Investment income	**(66.07)**	(71.83)
	Provision for doubtful debts and advances	**(1.04)**	3.77
	Provision for employee benefits	**-**	103.33
	Provision for diminution in value of current investments	**-**	55.86
	Exchange difference	**160.54**	(94.33)
	Loss on assets sold or discarded (net)	**17.97**	4.25
	Operating Profit before Working Capital Changes	**1,920.00**	1,954.36
	Adjustments for :		
	Trade and other receivables	**647.43**	(395.12)
	Bonds received in settlement of subsidy receivable	**-**	(502.79)
	Inventories	**471.39**	(345.94)
	Trade payables, other liabilities and provisions	**(766.62)**	560.33
	Payment towards employee separation compensation	**-**	(0.66)
	Cash generated from Operations	**2,272.20**	1,270.18
	Taxes paid (net of refund)	**(287.73)**	(242.31)
	Net Cash generated from Operating Activities	**1,984.47**	1,027.87
B	**Cash Flow from Investing Activities**		
	Acquisition of fixed assets (including Capital Work-in-Progress)	**(591.08)**	(737.78)
	Proceeds on sale of fixed assets	**2.57**	4.66
	Proceeds on sale of investments	**12,056.48**	5,779.19
	Purchase of investments	**(11,526.61)**	(5,807.17)
	Acquisition/Investment in Subsidiary	**(460.91)**	-
	Interest received	**15.79**	4.34
	Investment income received	**10.86**	15.32
	Dividend received	**55.22**	56.51
	Net Cash used in Investing Activities	**(437.68)**	(684.93)

Consolidated Cash Flow Statement for the year ended 31st March, 2010

		Rupees in crores 2009-10	Rupees in crores 2008-09
C	**Cash Flow from Financing Activities**		
	Repayment of borrowings	**(1,421.97)**	(1,114.76)
	Proceeds of borrowings	**769.61**	1,640.41
	Interest Paid	**(385.84)**	(371.35)
	Foreign exchange loss realised	**-**	1.30
	Dividends paid including distribution tax	**(364.48)**	(247.15)
	Net Cash generated from / (used in) Financing Activities ...	**(1,402.68)**	(91.55)
	Net Increase in Cash and Cash equivalents	**144.11**	251.39
	Cash and Cash equivalents as at 1st April (Opening Balance)	**989.85**	676.72
	Add: Cash and bank balance taken over on acquisition	**114.70**	-
	Exchange difference on translation of foreign currency cash and cash equivalents	**(89.76)**	61.74
	Cash and Cash equivalents as at 31st March (Closing Balance)	**1,158.90**	989.85

Notes :

1. The below mentioned transactions do not involve cash flow:

   (i) During the year, Foreign Currency Convertible Bonds of Rs. 186.64 crores (previous year Rs. 26.25 crores) were converted into shares. Accordingly, shares of the face value of Rs. 8.09 crores (previous year Rs. 1.18 crores) were issued at a premium of Rs. 178.55 crores (previous year Rs. 25.07 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.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

For and on behalf of the Board

Ratan N. Tata — *Chairman*
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Nasser Munjee
Dr. Yoginder Alagh — *Directors*
Dr. M. S. Ananth
Eknath A. Kshirsagar
R. Mukundan — *Managing Director*
Kapil Mehan — *Executive Director*
P. K. Ghose — *Executive Director & CFO*

Tata Chemicals Limited

Schedules forming part of the Consolidated Profit and Loss Account

		Rupees in crores	Previous year Rupees in crores
Schedule 1 : Sales and Operating Income			
1. **Sales and services:** [Item No.1, page 97]			
(a) Sales (Note 7, page 117)		**9,567.57**	12,826.02
(b) Processing charges		**-**	0.47
		9,567.57	12,826.49
2. **Operating income:** [Item No.2, page 97]			
(a) Town income		**2.07**	1.41
(b) Liabilities no longer required - written back		**21.54**	88.95
(c) Insurance claims		**5.85**	0.22
(d) Miscellaneous income		**65.84**	30.01
		95.30	120.59

Schedule 2 : Other Income [Item No.3, page 97]	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. **Income from Long Term Trade Investments (Gross):**			
(a) Dividend income	**32.95**		38.67
(b) Profit on sale of investments (net)	**87.71**		0.81
		120.66	39.48
2. **Income from Current Investments (Gross):**			
(a) Dividend income	**22.27**		17.84
(b) Interest Income	**10.86**		15.32
(c) Profit / (loss) on sale of investments (net)	**6.80**		(23.34)
		39.93	9.82
3. **Interest on Refund of Taxes**		**5.10**	0.23
4. **Interest received on:**			
(a) Inter-corporate loans and bank deposits	**1.14**		5.46
(b) Other Advances	**1.98**		5.05
		3.12	10.51
		168.81	60.04

Schedule 3 : Manufacturing and Other Expenses [Item No.5, page 97]	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. **Raw materials consumed**		**2,534.81**	4,064.14
2. **Cost of traded goods purchased**		**728.54**	2,041.53
3. **Payments to and provisions for employees:**			
(a) Salaries, Wages and Bonus	**582.58**		591.93
(b) Contribution to Provident and other Funds	**56.65**		176.42
(c) Contribution to group insurance scheme	**0.03**		0.03
(d) Workmen and staff welfare expenditure	**106.89**		101.47
		746.15	869.85

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

Schedule 3 : Manufacturing and Other Expenses (Contd.)
[Item No.5, page 97]

		Rupees in crores	Rupees in crores	Previous year Rupees in crores
4.	**Operation and other expenses:**			
(a)	Stores and spare parts consumed	**253.26**		195.16
(b)	Packing materials consumed	**209.54**		196.34
(c)	Power and fuel	**1,040.66**		1,375.74
(d)	Repairs - Buildings	**4.53**		10.63
	- Machinery	**224.33**		258.50
	- Others	**3.86**		6.05
(e)	Rent	**58.83**		68.45
(f)	Rates and taxes	**103.73**		78.48
(g)	Excise duty adjustment for stocks (net)	**2.73**		(0.65)
(h)	Commission, discount and distributors' service charges	**91.85**		77.15
(i)	Sales promotion expenses	**75.77**		59.87
(j)	Insurance charges	**27.28**		27.19
(k)	Freight and forwarding charges	**1,014.51**		978.44
(l)	Lease rent	**59.78**		68.09
(m)	Loss on assets sold or discarded (net)	**17.97**		4.25
(n)	Provision for Doubtful debts and advances	**(1.04)**		3.77
(o)	Provision for diminution in value of current investments	**-**		55.86
(p)	Other expenses (Note 22, page 125)	**323.84**		481.00
		3,511.43		3,944.32
	Less: Expenditure transferred to capital account	**-**		2.26
			3,511.43	3,942.06
5.	**Directors' fees / commission**		**8.04**	4.51
6.	**Change in inventory of work-in-process and finished goods**		**177.38**	(36.23)
			7,706.35	10,885.86

Schedule 4 : Borrowing Costs
[Item No.6, page 97]

		Rupees in crores	Rupees in crores	Previous year Rupees in crores
1.	Interest paid on:			
(a)	Debentures and fixed loans	**318.99**		278.25
(b)	Other loans	**20.74**		19.11
(c)	Others	**18.20**		16.65
			357.93	314.01
2.	Discounting & other charges		**35.25**	81.25
	Borrowing Costs (1 + 2)		**393.18**	395.26

Tata Chemicals Limited

Schedules forming part of the Consolidated Balance Sheet

Schedule A : Share Capital
[Item No.1(a), page 96]

	Rupees in crores	As at 31-Mar-09 Rupees in crores
1. **Authorised:**		
27,00,00,000 Ordinary Shares of Rs.10 each (31 March, 09 27,00,00,000 Ordinary Shares of Rs.10 each)	**270.00**	270.00
	270.00	270.00
2. **Issued:**		
24,33,42,598 Ordinary Shares of Rs.10 each (31 March, 09 23,52,55,686 Ordinary Shares of Rs.10 each)	**243.34**	235.26
	243.34	235.26
3. **Subscribed & paid up:**		
24,32,56,278 Ordinary Shares of Rs.10 each fully paid up (31 March, 09 23,51,69,366 Ordinary Shares of Rs.10 each)	**243.26**	235.17
4. **Forfeited Shares:**		
Amount paid-up on 86,320 shares	**0.06**	0.06
	243.32	235.23

Schedule B : Reserves and Surplus
[Item No.1(b), page 96]

	Rupees in crores	Rupees in crores	As at 31-Mar-09 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	**673.01**		652.41
Add / (Less):			
(b) Premium on conversion of FCCBs (Note 11(b), page 121)	**178.65**		25.06
(c) Reversal of provision of redemption premium on conversion of FCCBs	**45.67**		5.21
(d) Revaluation of redemption premium on outstanding/converted FCCBs (Note 11(c), page 121)	**-**		(9.72)
(e) Revaluation of equity portion of FCCBs	**11.62**		-
(f) Debenture Issue Expenses (net of tax)	**(1.96)**		(0.63)
(g) Proportionate Share in Joint Venture on allotment of shares	**-**		0.68
		906.99	673.01
5. **Foreign currency translation reserve:**			
Balance as per last account	**597.39**		(39.27)
Add : Net adjustment during the year	**(487.17)**		636.66
		110.22	597.39
6. **General reserve:**			
(a) Balance as per last account	**918.91**		875.82
(b) Add : Transferred from Profit and Loss Account	**53.58**		45.21
(c) Add : Transferred from Debenture Redemption Reserve	**-**		5.46
(d) Add/(Less): Foreign Currency Monetary Item Translation Difference	**2.10**		(7.58)
		974.59	918.91

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

Schedule B : Reserves and Surplus (Contd.)
[Item No.1(b), page 96]

		Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
7.	**Debenture redemption reserve:**			
	Balance as per last account	**240.00**		245.46
	Less: Transferred to General Reserve	**-**		5.46
			240.00	240.00
8.	**Actuarial gains / (losses) (net of tax)** (Note 8(d), page 117)		**(161.35)**	-
9.	**Other Reserves**		**6.18**	2.58
10.	**Balance in Profit and Loss Account**		**2,374.96**	2,081.15
			4,473.10	4,534.55

Schedule C : Loan Funds - Secured
[Item No.4(a), page 96]

		Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
Loans :				
1.	From Banks :			
	(a) Cash Credits	**9.96**		1.97
	(b) Term Loans	**1,588.89**		2,075.79
			1,598.85	2,077.76
2.	From Financial Institutions - Term Loans		**-**	7.52
3.	Debentures		**240.00**	240.00
			1,838.85	2,325.28

Schedule D : Loan Funds - Unsecured
[Item No.4(b), page 96]

		Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
Short-term loans and advances :				
(a)	From Banks :			
	Buyer's credits (Repayable within one year)		**-**	749.58
	Others		**93.91**	24.72
Other loans and advances :				
(Repayable within one year Rs. Nil crores, 31 March, 2009 Rs. 390.3 crores)				
(a)	From Banks :			
	External Commercial Borrowings		**2,109.87**	2,355.47
	Foreign Currency Non Resident (Banking) Loan		**112.25**	-
	Others		**112.25**	-
(b)	From others :			
	Foreign Currency Convertible Bonds - FCCBs (Note 11(a), page 121)	**-**		222.69
	6.44% Senior Notes due in 2017	**326.59**		606.07
			326.59	828.76
(c)	Debentures		**400.00**	-
			3,154.87	3,958.53

Tata Chemicals Limited

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

Schedule E : Fixed Assets

[Item No.7, page 96]

Rs. in crores

Fixed Assets (At Cost)	Gross Block: as at 1-Apr-09	Gross Block: Acquisitions during the year	Gross Block: Additions during the year	Gross Block: Deductions / Adjustments	Gross Block: Exchange Fluctuations	Gross Block: as at 31-Mar-10	Depreciation/Amortisation: as at 1-Apr-09	Depreciation/Amortisation: Acquisitions during the year	Depreciation/Amortisation: For the year	Depreciation/Amortisation: Deductions/ Adjustments	Depreciation/Amortisation: Exchange Fluctuations	Depreciation/Amortisation: as at 31-Mar-10	Impairment	Net Block as at 31-Mar-10
Tangible:														
1. Land :														
(a) Freehold	**75.95**	**19.60**	**5.10**	**(0.20)**	**(3.81)**	**96.64**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**96.64**
	79.06	-	2.24	-	(5.35)	75.95	-	-	-	-	-	-	-	75.95
(b) Leasehold	**106.58**	**5.96**	**56.05**	**(0.02)**	**(13.44)**	**155.13**	**11.10**	**0.84**	**3.81**	**(0.02)**	**(1.07)**	**14.66**	**-**	**140.47**
	81.44	-	6.98	-	18.16	106.58	5.88	-	4.15	-	1.07	11.10	-	95.48
2. Works :														
(a) Saltworks,Reservoirs and Pans	**43.21**	**-**	**3.24**	**-**	**(0.58)**	**45.87**	**37.46**	**-**	**0.70**	**-**	**(0.51)**	**37.65**	**-**	**8.22**
	42.14	-	-	-	1.07	43.21	34.91	-	1.62	-	0.93	37.46	-	5.75
(b) Plant and Machinery	**5,512.76**	**188.65**	**412.02**	**(55.21)**	**(232.63)**	**5,825.59**	**3,034.33**	**111.61**	**360.44**	**(37.20)**	**(123.80)**	**3,345.38**	**195.72**	**2,284.49**
	5,026.60	-	394.58	(37.40)	128.98	5,512.76	2,698.59	-	338.03	(7.85)	5.56	3,034.33	171.00	2,307.43
(c) Traction Lines, Railway Sidings and Wagons	**264.78**	**-**	**1.70**	**-**	**(25.33)**	**241.15**	**88.91**	**-**	**25.27**	**-**	**(10.27)**	**103.91**	**-**	**137.24**
	202.63	-	17.57	-	44.58	264.78	50.53	-	29.80	0.12	8.46	88.91	-	175.87
(d) Buildings	**552.98**	**56.12**	**5.67**	**-**	**(28.93)**	**585.84**	**185.66**	**18.46**	**20.70**	**-**	**(9.02)**	**215.80**	**3.38**	**366.66**
	494.55	-	33.67	(0.03)	24.79	552.98	169.38	-	18.51	1.15	(3.38)	185.66	3.38	363.94
3. Other Buildings	**218.83**	**-**	**15.08**	**-**	**(3.97)**	**229.94**	**61.15**	**-**	**3.95**	**-**	**(2.49)**	**62.61**	**4.89**	**162.44**
	197.09	-	11.04	-	10.70	218.83	52.36	-	4.40	-	4.39	61.15	4.78	152.90
4. Water Works	**7.82**	**-**	**0.03**	**-**	**-**	**7.85**	**6.90**	**-**	**0.08**	**-**	**-**	**6.98**	**0.04**	**0.83**
	7.82	-	-	-	-	7.82	6.79	-	0.11	-	-	6.90	-	0.92
5. Furniture,Fitting and Office Equipment	**161.05**	**7.07**	**8.83**	**(2.72)**	**(8.12)**	**166.11**	**98.09**	**3.55**	**24.79**	**(3.09)**	**(6.80)**	**116.54**	**4.21**	**45.36**
	135.08	-	20.51	(1.18)	6.64	161.05	73.44	-	21.65	(0.89)	3.89	98.09	4.00	58.96
6. Vehicles	**41.92**	**10.53**	**7.71**	**(4.05)**	**(3.04)**	**53.07**	**27.16**	**3.47**	**4.09**	**(3.73)**	**(1.75)**	**29.24**	**0.02**	**23.81**
	34.52	-	6.48	(3.82)	4.74	41.92	23.61	-	3.88	(3.15)	2.82	27.16	0.01	14.75
7. Mines & Quarries	**32.75**	**-**	**-**	**-**	**(3.76)**	**28.99**	**0.72**	**-**	**0.49**	**-**	**(0.11)**	**1.10**	**-**	**27.89**
	24.87	-	1.19	-	6.69	32.75	-	-	0.65	-	0.07	0.72	-	32.03
Intangible:														
8. Patents(license fees), trade-marks, rights and software	**0.97**	**16.05**	**19.79**	**-**	**(0.79)**	**36.02**	**0.47**	**14.33**	**2.74**	**-**	**(0.01)**	**17.53**	**-**	**18.49**
	0.95	-	-	(0.08)	0.10	0.97	0.21	-	0.24	-	0.02	0.47	-	0.50
Total	**7,019.60**	**303.98**	**535.22**	**(62.20)**	**(324.40)**	**7,472.20**	**3,551.95**	**152.26**	**447.06**	**(44.04)**	**(155.83)**	**3,951.40**	**208.26**	**3,312.54**
	6,326.75	-	494.26	(42.51)	241.10	7,019.60	3,115.70	-	423.04	(10.62)	23.83	3,551.95	183.17	3,284.48

NOTES :

1. Gross book value and accumulated depreciation of the above schedule includes **Rs. 21.97 crores and Rs. 18.53 crores** (previous year Rs. 9.42 crores and Rs. 4.64 crores) respectively for asset held for sale. The assets held for sale has been valued at lower of carrying value or net realisable value.
2. Depreciation for the year includes Rs. **0.28 crore** (previous year Rs. 0.39 crore) capitalised.
3. The figures in light print are for the previous year.

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

Schedule F : Investments
[Item No.9, page 96]

		Rupees in crores	As at 31-Mar-09 Rupees in crores
A	**LONG TERM INVESTMENTS**		
	Trade Investments :		
	1. Fully paid Equity Shares (Quoted)	**163.14**	161.03
	2. Fully paid Equity Shares (Unquoted)	**178.55**	147.22
	3. Partly paid Equity Shares (Unquoted)	**0.08**	-
	4. Fully paid Cumulative Redeemable Preference Shares (Unquoted)	**20.00**	49.00
	5. Fully paid Cumulative Redeemable Preference Shares (Quoted)	**-**	29.38
	TOTAL	**361.77**	386.63
	Less: Provision for diminution in value of investments	**2.34**	0.25
	TOTAL LONG TERM INVESTMENTS (net)	**359.43**	386.38
B	**CURRENT INVESTMENTS**		
	1. Fully paid Equity Shares (Unquoted)	**0.25**	0.25
	2. Bonds (Quoted)	**-**	502.79
	3. Units of Bonds (Quoted)	**-**	14.46
	4. Units of Mutual Funds (Unquoted)	**197.98**	21.77
	TOTAL	**198.23**	539.27
	Less: Provision for diminution in value of investments	**-**	55.86
	TOTAL CURRENT INVESTMENTS	**198.23**	483.41
	TOTAL INVESTMENTS	**557.66**	869.79

	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)	**162.89**	**993.11**	651.55	570.82
Aggregate of Unquoted Investments (net of provision)	**394.77**		218.24	

Tata Chemicals Limited

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

Schedule G : Inventories
[Item No.12(a), page 96]

		Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
1.	Stores and spare parts, packing materials		**183.13**	206.89
2.	Stock-in-Trade :			
	(a) Raw materials	**387.44**		582.12
	(b) Work-in-process	**46.73**		35.21
	(c) Finished goods	**341.42**		443.43
			775.59	1,060.76
			958.72	1,267.65

Schedule H : Sundry Debtors
[Item No.12(b), page 96]

		Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
1.	Over six months old :			
	- Considered good	**166.34**		260.39
	- Considered doubtful	**37.39**		26.14
			203.73	286.53
2.	Others :			
	- Considered good	**944.74**		1,375.37
	- Considered doubtful	**0.90**		0.48
			945.64	1,375.85
	Less : Provision for doubtful debts		**38.29**	26.62
			1,111.08*	1,635.76*
	[Including subsidy receivable of Rs. 474.40 crores (31 March, 2009 Rs. 867.44 crores)]			
	* Of the above debts			
	(a) Fully secured		**11.83**	17.77
	(b) Unsecured		**1,099.25**	1,617.99
			1,111.08	1,635.76

Schedule I : Cash and Bank Balances
[Item No.12(c), page 96]

		Rupees in crores	As at 31-Mar-09 Rupees in crores
1.	Cash & Cheques on hand	**11.99**	8.63
2.	Balance with banks in		
	(a) Current accounts	**973.45**	625.27
	(b) Deposit accounts	**173.46**	355.95
		1,158.90	989.85

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

Schedule J : Loans and Advances
[Item No.12(d), page 96]
(unsecured)

		Rupees in crores	Rupees in crores	As at 31-Mar-09 Rupees in crores
1.	Deposits with Government, public bodies and others :			
	(a) Balances with Customs,Port Trusts ,Excise etc.		**49.17**	28.16
	(b) Others		**6.19**	6.81
2.	Advance payment of taxes (net of provision)		**69.50**	72.49
3.	Interest accrued on Investments		**1.46**	7.68
4.	Other advances			
	- Considered good	**411.01**		405.30
	- Considered doubtful	**45.87**		0.93
		456.88		406.23
	Less: Provision for doubtful advances	**45.87**		0.93
			411.01	405.30
			537.33	520.44

Schedule K : Current Liabilities
[Item No.13(a), page 96]

		Rupees in crores	As at 31-Mar-09 Rupees in crores
1.	Acceptances	**428.59**	243.92
2.	Sundry creditors	**1,078.72**	1,727.89
3.	Sundry deposits	**44.83**	32.79
4.	Pension payable on Employee Seperation Scheme (Note 17, page 124)	**2.35**	2.96
5.	Interest accrued but not due on loans	**44.69**	36.84
6.	Advance from Customers	**78.40**	22.39
7.	Other Liabilities	**424.51**	398.89
		2,102.09	2,465.68

Schedule L : Provisions
[Item No.13(b), page 96]

		Rupees in crores	As at 31-Mar-09 Rupees in crores
1.	Proposed dividend	**218.93**	211.65
2.	Tax on dividend	**36.36**	35.97
3.	Provision for premium on redemption of FCCBs (Note 12(a), page 122)	**-**	46.52
4.	Provision for site restoration expenditure (Note 12(b), page 122)	**115.18**	123.04
5.	Provision for Tax (net of advances)	**29.27**	68.75
6.	Provision for employee benefits	**904.86**	730.17
7.	Others (Note 12(c), page 122)	**2.18**	-
		1,306.78	1,216.10

Tata Chemicals Limited

Schedule M : 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 31st March, 2010.

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 the 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 consolidated financial statements include the share of profit / loss of an associate company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

An associate is an enterprise in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the investor.

IV. The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures are made is recognised in the financial statements as "Goodwill on Consolidation".

V. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.

VI. The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.

VII. Minority interest in the net assets of subsidiaries consists of:

a) The amount of equity attributable to minority at the date on which the investment in the subsidiary is made.

b) The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the susbidiaries is absorbed by the Group.

c) **Particulars of subsidiaries, joint ventures and associate :**

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2010
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%

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

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%
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%
GCSAP Canada Inc*	Canada	75%
GCSAP Holdings LLC*	United States of America	75%
GCSAP LLC*	United States of America	75%
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%
Rallis India Limited**	India	50.06%
Rallis Australasia Pty Limited**	Australia	100%
Rallis Chemistry Exports Limited**	India	100%

*Companies which became subsidiaries / incorporated during the year.

** Companies accounted as associate w.e.f. Aug 2009 upto Nov 2009 and thereafter became subsidiary.

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%
Kemex B.V.	Netherlands	49.99%
Joil (S) Pte. Ltd and its subsidiary	Singapore	33.78%

* upto 15th December, 2009

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.

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

(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 the project is commissioned.

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

(d) Capital Work-in-Progress

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

(e) 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 of the Company for the years ended 31 March 2008, 2009 and 2010 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.

(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 the lower of cost and fair value.

(h) Inventories

Inventories are valued at lower of the cost on weighted average basis (except one foreign subsidiary and one JV which are on FIFO basis constituting 10 % (previous year 13.2%) 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.

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

(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 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. Equated freight claims for complex fertilisers are estimated by the Management based on the norms prescribed or notified under the uniform freight policy.

(k) Other Income

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

(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 7% of the net block of machinery and equipment of the group (previous year 8%) and 100% of the net block of mines and quarries of the group 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

(A) In respect of the Company and Indian consolidating entities

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Fund, compensated absences, long service awards, post retirement medical benefits, Directors' retirement obligations and Family Benefit Scheme. Provident fund is considered as a 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, post retirement medical benefits, Directors' Pension Liabilities and Family Benefit Scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in 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

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

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.

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

(ii) Short-term employee benefits

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

The cost of compensated absences is accounted as under -

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

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

(iii) Long-term employee benefits

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

(B) In respect of overseas subsidiaries and joint ventures , the liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries (Note 8(d), page 117).

The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries for the period from 01st April, 2009 have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation instead of the practice followed under Indian GAAP.

(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 recognised 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 values and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised, but disclosed by way of notes. Contingent assets are neither recognised nor disclosed.

(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. Borrowing costs to the extent directly attibutable to acquisition of fixed assets are added to the cost of fixed assets.

(v) Debenture Issues Expenses

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

3 Segment Information for the year ended 31st March, 2010 :

(a) Information about Primary Business Segments

(Rs. in crores)

	Inorganic Chemicals		Fertiliser		Others		Elimination		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Revenue :										
External										
(Net of Excise)	**5,418.33**	5,861.06	**3,784.61**	6,911.51	**340.85**	-	**-**	-	**9,543.79**	12,772.57
Inter-segment	**16.80**	69.14	**-**	-	**0.32**	-	**(17.12)**	(69.14)	**-**	-
Total Revenue	**5,435.13**	5,930.20	**3,784.61**	6,911.51	**341.17**	-	**(17.12)**	(69.14)	**9,543.79**	12,772.57
Result :										
Segment Result	**969.43**	1,008.90	**375.87**	501.85	**57.74**	-	**-**	-	**1,403.04**	1,510.75
Unallocated expenditure net of Unallocated income									**76.96**	198.17
Interest expense									**393.18**	395.26
Profit before Tax									**932.90**	**917.32**
Provision for Tax									**(209.32)**	(157.51)
Profit After Tax									**723.58**	**759.81**

Tata Chemicals Limited

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

Other Information : (Rs.in crores)

	Inorganic Chemicals		Fertilisers		Others		Unallocated		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Assets	**8,998.07**	9,937.18	**1,834.38**	2,624.47	**788.29**	-	**2,043.04**	2,446.51	**13,663.78**	15,008.16
Segment Liabilities	**2,266.05**	1,701.93	**674.17**	1,538.78	**481.67**	-	**5,525.47**	6,997.67	**8,947.36**	10,238.38
Capital Expenditure	**368.33**	348.32	**60.08**	283.27	**119.32**	-	**31.95**	68.02	**579.68**	699.61
Depreciation and amortisation	**307.43**	297.70	**125.81**	121.52	**6.13**	-	**7.41**	3.42	**446.78**	422.64
Impairment of Asset (net of reversal)	**34.90**	119.22	**-**	-	**-**	-	**-**	-	**34.90**	119.22
Amortisation of Foreign Currency Monetary Translation Difference	**-**	-	**-**	-	**-**	-	**108.28**	124.97	**108.28**	124.97
Non-cash Expenses other than Depreciation	**33.77**	123.98	**0.09**	(0.46)	**-**	-	**-**	55.86	**33.86**	179.38

(b) Information about Secondary Geographical Segments

Revenue by geographical market (Rs.in crores)

	Asia		Europe		Africa		America		Others		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
External	**6,374.52**	9,214.62	**1,314.09**	1,453.39	**190.74**	325.71	**1,660.82**	1,778.85	**3.62**	-	**9,543.79**	12,772.57
Segment Assets	**5,627.21**	5,864.84	**1,588.39**	1,680.71	**881.06**	1,210.17	**5,562.18**	6,252.44	**4.94**	-	**13,663.78**	15,008.16
Capital Expenditure	**323.04**	488.81	**83.12**	167.50	**90.49**	1.95	**83.03**	41.35	**-**		**579.68**	699.61

(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.

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

4 Earnings per Share :

(Rs.in crores)

			2009-10	2008-09
(a)	Profit after tax	Rs.in crores	**605.91**	**648.10**
(b)	The weighted average number of equity shares of Rs.10 each			
	Total number of shares	Nos.	**23,65,65,189**	**23,48,85,004**
(c)	Earning Per Share (Basic)	Rupees	**25.61**	**27.59**
(d)	Profit after tax for Basic EPS	Rs.in crores	**605.91**	**648.10**
(e)	Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gains/(losses) and taxes)	Rs.in crores	**18.97**	**(10.55)**
(f)	Profit after tax for Diluted EPS	Rs.in crores	**624.88**	**637.55**
(g)	The weighted average number of equity shares for Basic EPS	Nos.	**23,65,65,189**	**23,48,85,004**
(h)	Add: Adjustments for Foreign Currency Convertible Bonds	Nos.	**6,691,089**	**8,588,794**
(i)	The weighted average number of equity shares for Diluted EPS	Nos.	**24,32,56,278**	**24,34,73,798**
(j)	Earning Per Share (Diluted)	Rupees	**25.61***	**26.19**
	* anti-dilutive, hence restricted to basic EPS			

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)

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)

Lake Natron Resources Limited

(upto 15th December 2009)

Key Management Personnel

Mr. R. Mukundan, Managing Director

Mr. P. K. Ghose, Executive Director & CFO

Mr. Kapil Mehan, Executive Director

Tata Chemicals Limited

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

(b) Transactions with the related parties (Rs.in crores)

	IMACID Morocco	Kemex	Aclad	Khet-se Agri Produce India Pvt. Ltd.	Key Mangement Personnel	Total
Purchase of goods - net (includes stock in transit)	**261.48**	**-**	**69.62**	**-**	**-**	**331.10**
	803.97	-	59.14	-	-	863.11
Interest Paid	**1.64**	**-**	**-**	**-**	**-**	**1.64**
	-	-	-	-	-	-
Amount Received (in respect of loans)	**-**	-	**-**	**-**	**0.01**	**0.01**
	-	-	-	-	*	*
Amount Payable (in respect of goods purchased)	**98.20**	-	**-**	**-**	-	**98.20**
	115.37	-	-	-	-	115.37
Amount receivable in respect of loans	**-**	**-**	**-**	**-**	**0.02**	**0.02**
	-	4.35	-	-	0.02	4.37
Amount payable (in respect of loans)	**-**	**-**	**-**	**0.25**	**-**	**0.25**
	-	-	-	0.09	-	0.09
Maximum Amount outstanding during the year	**-**	**-**	**-**	**-**	**0.03**	**0.03**
	-	-	-	-	0.03	0.03
Provision for management services	**0.07**	-	**4.50**	**-**	-	**4.57**
	0.27	-	3.83	-	-	4.10
Amounts received / receivable on account of any Management Contracts including for deputation of employees	**-**	-	**-**	**0.09**	-	**0.09**
	-	-	-	0.27	-	0.27

* represents less than Rs. 50,000.

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.

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

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-10	As at 31-Mar-09	**As at 31-Mar-10**	As at 31-Mar-09
	Deferred Tax Liability		**Deferrred Tax Asset***	
Deferred Tax Assets :				
Provision for doubtful debts and advances	**8.70**	**9.14**	**20.81**	**-**
Provision for employee benefits	**11.62**	**97.71**	**216.83**	**79.01**
Exchange Differences	**89.44**	**168.60**	**-**	**-**
Other timing differences	**4.31**	**6.85**	**44.31**	**30.53**
	114.07	**282.30**	**281.95**	**109.54**
Deferred Tax Liability :				
Depreciation	**291.82**	**334.09**	**58.03**	10.49
Other timing differences	**12.64**	**59.78**	**47.38**	**-**
	304.46	**393.87**	**105.41**	**10.49**
Net deferred tax asset/(liability)	**(190.39)**	**(111.57)**	**176.54**	**99.05**

*The deferred tax assets have been created only if there is reasonable certainty on the date of the Balance Sheet, that there will be sufficient taxable income available to realise such assets in future.

7 Sales include subsidy income of **Rs. 2,059.69 crores** (previous year Rs. 4,683.58 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) 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, 2010. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(c) Brunner Mond Group Limited, operates pension arrangements in United Kingdom (UK) and Africa. The UK arrangement is a defined benefit scheme and the arrangement in Africa is a defined contribution scheme.

(d) The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries for the period from 01st April, 2009 have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation instead of the practice followed in the previous year of recognising such gains / losses in the Profit and Loss Account. The Management is of the view that due to volatility and structure of the overseas pension fund, it is not considered practicable to adopt a common accounting policy and deviation is as permitted by AS 21. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the Profit and Loss Account, been followed, the consolidated net profit before tax and net profit after tax and minority interest for the year ended 31st March, 2010 would have been lower by Rs. 252.37 crores and Rs. 161.35 crores respectively.

Schedule M : Notes on the Consolidated 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, 2010 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)

	Domestic		**Foreign**		Domestic		Foreign	
	Funded	**Unfunded**	**Funded**	**Unfunded**	Funded	Unfunded	Funded	Unfunded
	As at 31st March 2010				As at 31st March 2009			
(i) Changes in the defined benefit obligation:								
Projected defined benefit obligation, beginning of the year	**49.64**	**27.58**	**1,812.32**	**163.29**	47.49	11.02	2,034.44	130.28
Current service cost	**3.51**	**1.04**	**17.43**	**1.61**	2.56	0.66	25.35	1.33
Interest cost	**4.36**	**2.67**	**115.74**	**10.49**	3.88	0.92	124.44	7.84
Net actuarial (gain) / loss	**1.78**	**0.69**	**549.21**	**1.45**	(2.05)	15.30	(329.62)	(6.68)
Benefits paid	**(4.29)**	**(2.05)**	**(234.15)**	**(7.02)**	(2.24)	(0.32)	(83.20)	(6.55)
Past Service Cost	**-**	**-**	**-**	**-**	-	-	3.30	21.92
Exchange Variation	**-**	**-**	**(186.00)**	**(19.08)**	-	-	37.62	15.15
Recognised on Acquisition	**13.33**	**15.73**	**-**	**-**	-	-	-	-
Projected defined benefit obligation, end of the year	**68.33**	**45.66**	**2,074.55**	**150.74**	49.64	27.58	1,812.33	163.29
(ii) Changes in the fair value of plan assets:								
Fair value of plan assets, beginning of the year	**50.87**	**-**	**1,332.65**	**-**	46.83	-	1,582.24	-
Expected return on plan assets	**4.75**	**-**	**102.44**	**-**	3.90	-	115.95	-
Employer's contributions	**5.35**	**1.34**	**60.97**	**7.02**	0.62	0.32	108.80	6.55
Net actuarial (gain) / loss	**0.28**	**-**	**298.29**	**-**	1.76	-	(423.89)	-
Benefits paid	**(4.29)**	**(1.34)**	**(224.36)**	**(7.02)**	(2.24)	(0.32)	(83.20)	(6.55)
Exchange Variation	**-**	**-**	**(125.18)**	**-**	-	-	32.75	-
Recognised on Acquisition	**13.54**	**-**	**-**	**-**	-	-	-	-
Fair value of plan assets, end of the year	**70.50**	**-**	**1,444.81**	**-**	50.87	-	1,332.65	-
Liability (net)	**(2.17)**	**45.66**	**629.74**	**150.74**	(1.23)	27.58	479.68	163.29

(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 2010				As at 31st March 2009			
Current service cost	**3.51**	**1.04**	**17.43**	**1.61**	2.56	0.66	25.35	1.33
Interest defined benefit obligation	**4.36**	**2.67**	**115.74**	**10.49**	3.88	0.92	124.44	7.84
Expected return on plan assets	**(4.75)**	**-**	**(102.44)**	**-**	(3.90)	-	(116.31)	-
Net actuarial (gain) / loss recognised in the year	**1.81**	**0.69**	**-**	**-**	(3.81)	15.30	115.20	-
Effect of the Limit in Para 59(b)	**0.11**	**-**	**-**	**-**	-	-	(51.48)	-
Net benefit expense	**5.04**	**4.40**	**30.73**	**12.10**	(1.27)	16.88	97.20	9.17
Net actuarial (gain) / loss recognised in reserves	**-**	**-**	**250.92**	**1.45**	-	-	-	-
Actual Return on Plan Assets	**5.03**	**-**	**400.73**	**-**	5.66	-	(455.48)	-

Schedule M : 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 :

	Domestic %	**Overseas %**	Domestic %	Overseas %
	31 March 2010		31 March 2009	
Government Securities	**42**	**1**	53	-
Corporate Bonds	**20**	**33**	13	25
Special Deposit Scheme	**21**	**-**	23	-
Equity Shares of Listed Companies	**2**	**56**	-	45
Insurer Managed/Hedged Funds	**12**	**5**	9	8
Others	**3**	**5**	2	22
Total	**100**	**100**	100	100

(v) Assumptions used in accounting for gratuity and post retirement medical benefit obligations :

	Domestic		**US Plans**		**UK Plans**
	Funded	**Unfunded**	**Funded**	**Unfunded**	**Funded**
Discount rate	**8.20%**	**8.20%**	**5.90%**	**5.90%**	**5.90%**
	7.61%	7.61%	7.30%	7.30%	6.90%
Expected rate of return on plan assets	**8.50%**	**NA**	**8.00%**	**NA**	**7.05%**
	8.50%	NA	8.00%	NA	6.33%
Increase in Compensation cost	**7.5% for 2 years, 10% for third year & 7.5% thereafter**	**NA**	**Varies by plan**	**NA**	**NA**
	5% for first year, 7.5% for second year, 10% for third year and & 7.5% p.a. thereafter	NA	Varies by plan	NA	NA
Healthcare cost increase rate	**NA**	**6.00%**	**9-11%**	**9-11%**	**NA**
	NA	6.00%	NA	10.00%	NA
Pension increase rate	**NA**	**5.00%**	**NA**	**NA**	**3.60%**
	NA	5.00%	NA	NA	3.60%

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

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

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

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

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

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

9 The proportionate share of audited assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures included in the consolidated financial statements are given below:-

(Rs. in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Kemex B.V.		ALCAD		Joil (S) Pte. Ltd.	
Country of Incorporation	India		Morocco		Netherlands		United States of America		Singapore	
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		33.78%	
	2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
LIABILITIES										
Loan Funds	**3.97**	-	**2.27**	23.31	**2.11**	4.70	**-**	-	**-**	-
Current Liabilities	**1.65**	1.95	**39.89**	99.25	**0.59**	1.23	**-**	5.68	**0.35**	-
ASSETS										
Fixed Asset-										
Net Block	**4.73**	4.94	**58.39**	82.16	**-**	5.30	**-**	-	**16.92**	16.87
Current Assets	**2.44**	0.57	**161.36**	212.48	**2.54**	4.58	**-**	7.98	**25.58**	33.31
INCOME										
Sales and Operating income	**3.59**	1.85	**369.85**	867.66	**5.76**	9.92	**112.43**	92.02	**0.03**	0.01
Other Incomes	**0.01**	0.11	**1.45**	3.46	**-**	-	**-**	-	**0.04**	-
EXPENDITURE										
Manufacturing and other expenses	**5.09**	5.33	**310.95**	793.12	**5.79**	9.16	**74.11**	59.14	**3.95**	0.43
Interest expense	**0.28**	*	**1.36**	0.13	**-**	0.18	**-**	-	**-**	-
Depreciation	**0.36**	0.42	**24.53**	30.60	**-**	0.86	**-**	-	**2.56**	-
Provision for Tax	**-**	0.03	**4.62**	11.15	**(0.15)**	(0.05)	**-**	-	**-**	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	**(2.13)**	(3.82)	**29.84**	36.12	**0.12**	(0.23)	**38.32**	32.88	**(6.44)**	(0.42)
CONTINGENT LIABILITIES	**0.10**	0.08	**-**	-	**-**	-	**-**	-	**-**	-
CAPITAL COMMITMENTS	**-**	-	**4.43**	1.31	**-**	-	**-**	-	**-**	-

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

10 Rallis India Limited (Rallis) became an associate of the Company in August 2009. Consequent to the preferential allotment of 9,80,000 equity shares by Rallis to the Company in November 2009, the effective holding of the Company in Rallis has become 50.06%. Accordingly, Rallis has become a subsidiary of the Company with effect from the said date and has been consolidated on a line by line basis. The financial position and results included in the consolidated financial statements are as given below:

(Rs. in crores)

	As at 31-Mar-10
PARTICULARS	
LIABILITIES	
Loan Funds	**8.11**
Capital Grant	-
Current Liabilities	**296.99**
Deferred Tax Liabilities (Net)	-
ASSETS	
Goodwill on consolidation	-
Fixed Asset-Net Block	**264.78**
Investments	**140.23**
Deferred Tax Asset (Net)	**5.35**
Current Assets	**319.21**
INCOME	
Total Income	**343.77**
EXPENDITURE	
Manufacturing and other expenses	**276.98**
Interest Expense	**2.70**
Depreciation and amortisation	**6.13**
Provision for Tax	**18.91**
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD	**39.05**

11 (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 USD 150 million. As per the terms of the issue, the holders had 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 was subject to certain adjustments for corporate actions and, consequently, the conversion price was changed to Rs. 230.78 per Ordinary Share. Further, under certain conditions, the Company had an option of early redemption in whole but not in part.

b) During the year 2009-10, the Company received notices for conversion of **USD 42.756 million** (previous year USD 6.215 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 80,86,912 (previous year 11,75,510) Ordinary Shares of Face Value Rs.10.

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

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

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

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

(Rs.in crores)

	As at 31-Mar-2010	As at 31-Mar-2009
Opening Balance	**46.52**	42.01
Less :- Reversal of Provision for Premium on conversion of FCCBs	**(45.30)**	(5.21)
Payment of premium on Repayment of FCCBs	**(1.11)**	-
Exchange Difference	**(0.11)**	9.72
Closing Balance	**-**	46.52

The premium payable on redemption of FCCBs issued was fully provided and debited to Securities Premium Account at the time of issue.

(b) Provision for site restoration expenditure :

(Rs.in crores)

	As at 31-Mar-2010	As at 31-Mar-2009
Opening Balance	**123.04**	106.50
Add /(Less): Exchange Difference	**(7.86)**	16.54
Closing Balance	**115.18**	123.04

(c) Others (The Company has created a provision, the disclosure relating to the provision would prejudice the position of the Company on the subject matter of the provision):

(Rs.in crores)

	As at 31-Mar-2010	As at 31-Mar-2009
Opening Balance	**-**	-
Add : Provision during the year	**2.18**	-
Less : Payments / Reversal during the year	**-**	-
Closing Balance	**2.18**	-

13 Derivative Instruments :

(a) As on 31 March, 10, the Group has the following derivative instruments outstanding:

(i) Forward currency exchange contracts USD-INR amounting to **USD NIL** for the purpose of hedging its exposures to short term foreign currency loans (previous year USD 134.96 million).

(ii) Forward currency exchange contracts USD-INR amounting to **USD 89.33 million** (previous year USD 40.90 million) and USD-JPY contracts amounting to **JPY 341 million** (previous year JPY NIL) for the purpose of hedging its exposures to foreign currency acceptances.

(iii) Forward currency exchange contracts USD-INR amounting to **USD 3.6 million** (previous year USD NIL) and AUD-USD amounting to **AUD 0.88 million** (previous year AUD NIL) for the purpose of hedging its exposures to foreign currency receivables.

(iv) Accounts payable **USD 2.89 million, CHF 0.19 million and EUR 0.19 million** (previous year USD 80.13 million)

(v) Currency options contracts USD-INR amounting to **USD 26 million** with an intent to hedge its exposures to foreign currency loans (previous year USD 65 million) and USD-INR amounting to **USD 8.85 million** with intention to hedge foreign currency receivables. FCCB outstanding as on 31 March, 10 is **USD NIL** (previous year USD 43.906 million).

vi) Full Currency Swap to hedge against fluctuations in exchange rates **USD 76 million** (previous year Notional principal USD 75 million)

(vii) Cross Currency Swap to hedge against fluctuations in exchange rates and Interest rates **USD 475 million** (previous year Notional principal USD 475 million)

(viii) Commodity forward contracts amounting to **USD NIL** (previous year USD 6.99 million) to reduce the fluctuation in natural gas and **USD 0.30 million** (previous year USD NIL) to hedge fuel.

(ix) Long Term Forward Contract USD-INR **35 million** (previous year NIL) to hedge against fluctuation in exchange rates for the purpose of hedging its exposure to foreign currency long term loans.

(x) Interest rate swap to hedge the exposure to floating interest rate liability - **USD 160.10 million** (previous year USD 158.75 million).

(xi) Interest rate swap to hedge the exposure to floating interest rate liability - **GBP NIL** (previous year 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 12.78 million, EUR 0.05 million and AUD 0.12 million** (previous year USD 1.05 million)

(ii) Foreign Currency Loans **USD NIL** (previous year USD 12.83 million)

(iii) Loans and Advances **USD NIL** (previous year USD 73.43 million)

(iv) Acceptances **USD 8.78 million** (previous year USD 7.19 million)

(v) Accounts payable **USD 128.31 million**, **EUR 0.21 and AUD 0.02** (previous year USD 73.504 million)

(vi) Customer advances **USD 0.29 million** (previous year USD NIL).

(vii) Liability arising out of cross currency swap **USD 382 million** (previous year USD 425 million).

14 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. 182.22 crores** (previous year Rs. 56.79 crores)

(b) Capital commitment towards investment in joint venture Khet-Se Agri Produce India Private Limited : **Rs. 43.69 Crores** (previous year Rs. 43.69 crores)

(c) Capital commitment towards investment in proposed project at Mozambique : **Rs. 41.75 crores** (previous year Rs. 16.36 crores)

15 Contingent Liabilities :

(a) Guarantees:

(i) Bank Guarantees issued by Banks on behalf of the Group **Rs. 93.74 crores** (previous year Rs. 324.87 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 136.80 million** (Rs. 614.23 crores) (previous year USD 150 million (Rs. 760.80 crores).

(b) Claims not acknowledged by the Group relating to the following areas :

(Rs. in crores)

	As at 31-Mar-2010	As at 31-Mar-2009
(i) Excise and Customs	**95.27**	84.34
(ii) Sales Tax / VAT	**42.57**	26.49
(iii) Demand for utility charges	**57.41**	57.99
(iv) Labour and other claims against the Group not acknowledged as debt	**2.55**	7.33
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	**245.69**	61.97
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	**38.73**	64.80
(vii) Uncalled partly paid shares held as investments	**0.04**	-
(vi) Others	**4.97**	-

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

(d) Bills discounted by an overseas subsidiary **Rs. 72.10 crores** (previous year Rs. NIL)

Tata Chemicals Limited

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

(Rs. in crores)

			As at 31-Mar-2010	As at 31-Mar-2009
16	**Operating Leases**			
	(a)	Total of minimum lease payments	**284.56**	304.66
		The total of minimum lease payments for a period:		
		Not later than one year	**61.02**	83.07
		Later than one year and not later than five years	**146.13**	144.59
		Later than five years	**77.41**	77.00
	(b)	Lease payments recognised in the statement of profit and loss for the year	**75.36**	81.49

(c) The lease deposit of **Rs. 25 crores** (previous year 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.2.17 crores) has been charged to the Profit and Loss Account on the principle of matching of revenue and costs.

(d) In respect of various subsidiaries, as on 31 March, 2010 Plant & Machinery includes assets held under finance lease with a net book value of **Rs. 56.11** crores (previous year Rs. 31.13 crores) and gross book value of **Rs. 68.25 crores** (previous year Rs. 35.12 crores) and vehicles includes assets purchased under hire purchase arrangements with fair value amounting to Rs. **4.06 crores** (previous year NIL) . The future minimum lease payments under finance leases are as follows-

(i) Not later than one year- **Rs. 9.43 crores** (previous year Rs. 7.27 crores)

(ii) Later than one year but not later than five years- **Rs. 20.72 crores** (previous year Rs. 25.23 Crores)

17 (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. 0.27 crore (previous year Rs. 0.87 crore) is payable under the scheme within one year.

18 Brunner Mond Group Ltd, UK (BMGL), a subsidiary of the Company, has recognised an asset impairment loss of **Rs. 34.90 crores** (previous year Rs. 151.07 crores) and provided for restructuring costs amounting to **Rs. 90.21 crores** (previous year Rs. NIL) in relation to the closure of operations of the Brunner Mond B.V., Netherlands (a subsidiary of BMGL), plant in Netherlands.

19 During the previous year, the Company had 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 years ended 31st March, 2008, 2009 and 2010 have been recognised over the shorter of the maturity period of the loan or 31st March, 2011. The unamortised balance as at the Balance Sheet date of **Rs. 7.89 crores** (net of tax) (previous year Rs. 237.39 crores) is presented as "Foreign Currency Monetary item Translation Difference Account".

20 Insurance claim for Loss of profits

The production at Company's Fertilizer Plant at Babrala has been temporarily disrupted due to fault in Synthesis Converter in ammonia plant. The Company has adequate insurance coverage towards cost of repairs and loss of profits. Insurance claim for loss of profit has been accrued for the affected period based on the Management's estimates.

21 Strike at Haldia Plant

The operations at Haldia plant were disrupted due to strike by contract labour during the period 24th February to 26th March, 2010. While the workforce has resumed duty, the disputed matter is pending with the additional labour commissioner.

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

22 Other expenses **Rs. 323.84 crores** (previous year Rs. 481 crores) include Auditors remuneration:

(Rs. in crores)

	As at 31-Mar-2010	As at 31-Mar-2009
(i) For services as auditors (includes Rs. 0.03 crore to cost auditors (previous year Rs. 0.03 crore))	**8.07**	9.06
(ii) For tax matters	**1.19**	1.77
(iii) For other services (includes Rs. 0.01 crore to cost auditors (previous year Rs. 0.01 crore))	**0.88**	0.68
(iv) Reimbursement of travelling and out-of-pocket expenses (includes Rs. 0.01 crore to cost auditors (previous year Rs. 0.01 crore))	**0.04**	0.02
(v) Service Tax (includes Rs. 0.01 crore to cost auditors (previous year Rs.*))	**0.23**	0.29
Total	**10.41**	11.82

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

24 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.

25 Previous year's figures have been regrouped / reclassified wherever necessary.

Signatures to Schedules '1' to '4', 'A' to 'L', Notes to Accounts.
For and on behalf of the Board

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

Rajiv Chandan
Company Secretary & Head Legal

Mumbai, 24th May, 2010.

FINANCIAL STATISTICS

Year	CAPITAL ACCOUNTS								REVENUE ACCOUNTS											
	Share Capital	Reserves	Borrow-ings	Deferred Tax Liability (Net)	Capital Employed	Gross Block	Depre-ciation	Net Block	Gross Revenue	Expenses	Depre-ciation	Profit before Taxes	Taxes	Development Rebate Reserve/ Export Reserve/ Debenture Redemption Reserve	Distri-butable profit for the year	Dividends (including Dividend Tax)	Earnings per Ordinary Share (Basic)	Dividend per Ordinary Share	Net Worth per Ordinary Share	Emplo-yees' Earnings and Benefits
	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 (9 Months)	1105	3982	4410	—	9497	11683	4758	6925	7694	6143	610	941	118	132	691	197	8.03	1.90	48.10	591
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	64.78
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
2009-10	24332	403964	294651	19022	741969	404115	221106	183009	576975	499443	18719	58813	15335	—	43,478	25,529	18.00	9.00	176.07	20,466

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
2009-10	809	Rs. 220.78 per share
	9201	

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.

THE HUMAN TOUCH OF CHEMISTRY™

TATA

Mission

Serving Society through Science

Vision

We shall be amongst premier chemical companies by:

- Leveraging Science to deliver new and innovative offerings
- Enhancing value to our customers
- Delivering Superior Returns to our shareholders
- Leading in corporate sustainability
- Nurturing innovation, learning through diversity and team work amongst employees

Values

Integrity, Safety, Excellence, Care & Innovation

TATA CHEMICALS LIMITED

THE HUMAN TOUCH OF CHEMISTRY™

TATA

TATA CHEMICALS LIMITED

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