

TATA CHEMICALS



Tata Chemicals Limited

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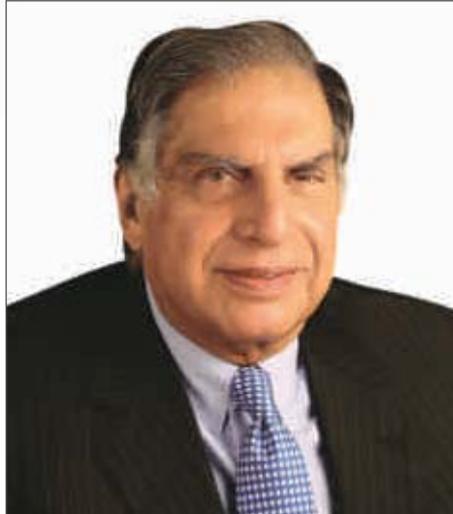
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Annual General Meeting : Tuesday, August 09, 2011
Time : 3.00 p.m.
Venue : Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai - 400 020

BOOK CLOSURE DATES
JULY 27, 2011 to AUGUST 09, 2011

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



P. K. Ghose
Executive Director & CFO

Members of the Executive Committee

R. Mukundan	-	Managing 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)
V. K. Bhatia	-	Senior VP (Manufacturing - Fertilisers)
D. K. Sundar	-	Senior VP (Marketing - Fertilisers)

Company Secretary

Rajiv Chandan

Auditors

Deloitte Haskins & Sells
Chartered Accountants

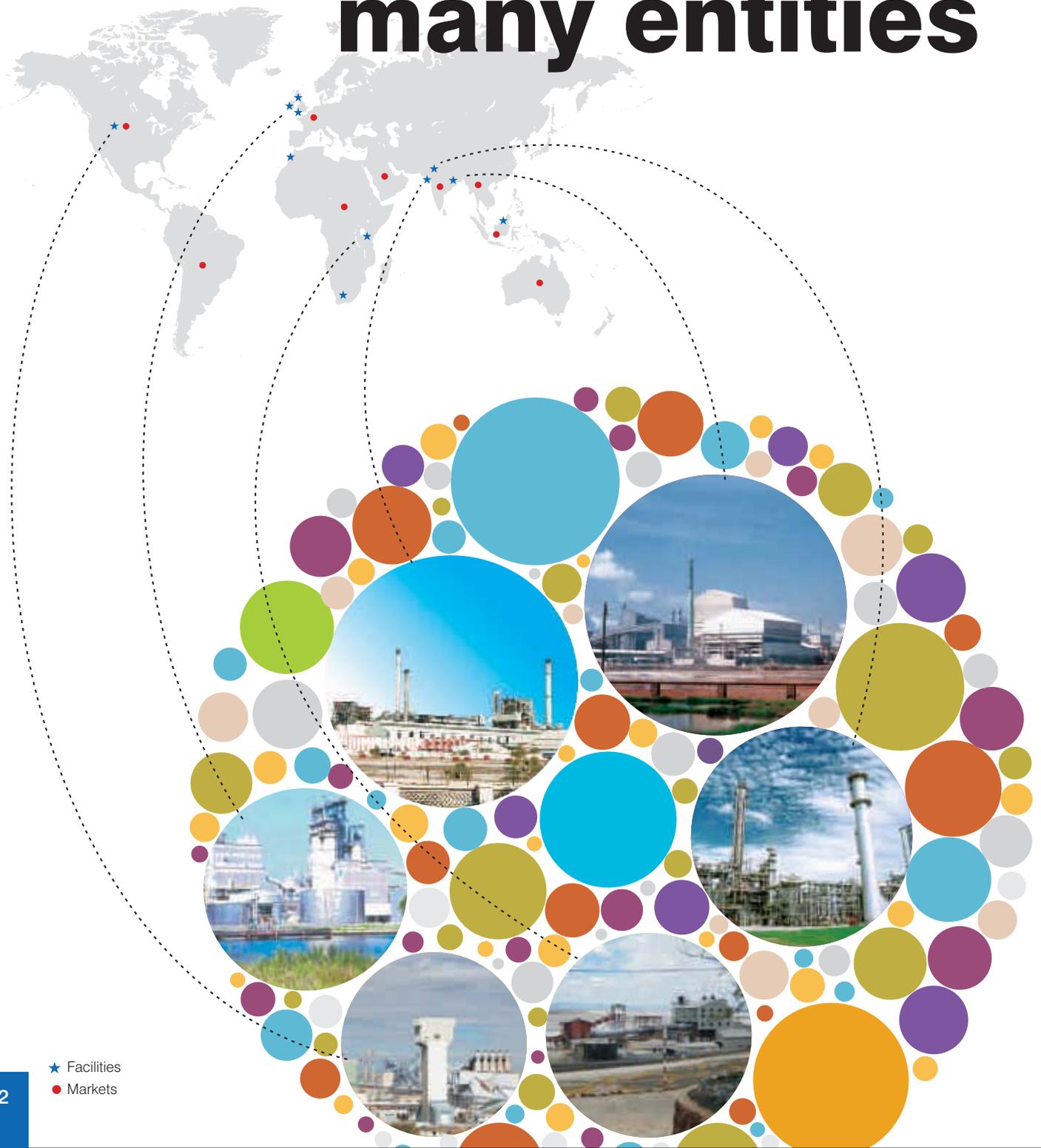
Solicitors

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

Registrar & Share Transfer Agent

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

one group many entities



- ★ Facilities
- Markets

Tata Chemicals Profile:

Tata Chemicals is a part of the USD 67.4 billion Tata Group. Established in 1939, Tata Chemicals 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. Tata Chemicals is a 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.

Tata Chemicals has undertaken several key steps recently to leverage its expertise in science to develop high-tech and more sustainable products. It has set up the Tata Chemicals Innovation centre in Pune to develop world-class R&D capability in the emerging areas of nanotechnology and biotechnology. Tata Chemicals have also invested in a Center for Agri- Solutions & Technology (CAT) at Aligarh to provide advice on farming practices in general and crop nutrition practices and solutions in particular. Rallis has acquired Metahelix Life Sciences for development and growth of seeds business.

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).

The Power of One

Delivering Customer delight

With a product portfolio ranging from Living, Industrial and Farm Essentials (LIFE), Tata Chemicals thrives on providing customer delight across continents, touching lives and serving society through Science.

Innovating for a better tomorrow

With tie-ups with leading academic and research institute across the globe, our Innovation centre strives to innovate for a better tomorrow. Tata Swach and Paras Farmoola being the initial trend setters.

Creating happy communities

Corporate Social responsibility and societal concern is an integral part of our business and it is guided by a strong heritage of support to the communities within which it operates. We contribute to the well being of economic, environmental and social aspects systems through various means inclusive of adoption of regional/international initiatives such as UN Global Compact, Responsible Care and Global reporting initiative.

Scaling greater heights

With manufacturing facilities across four continents and a global customer base we are today the second largest producer of Soda Ash in the world. With a significant presence in the crop nutrition and protection space in India and with a portfolio of top product brands like Tata Salt, Tata Paras, Paras Farmoola, Tata Swach and British Salt, our journey continues.

Redefining excellence

Tata Chemicals has embarked upon an aggressive journey to promote excellence at all its businesses and

operations – truly redefining excellence at TCL. Awards and accolades for excellence in manufacturing, production, safety, sustainability, quality, communication and financial reporting is vindication of impressive efforts in this direction.

Creating Sustainable business

Few examples that vindicate Tata Chemicals Sustainable business practices are 60% Soda Ash capacity being 'Natural', manufacturing of Cement from solid wastes from the Mithapur plant and one of the most energy efficient fertiliser unit in world. With the policy of 'reduce, recycle and reuse', the company ensures that its commitments towards improving its eco-footprints are fulfilled.

Going beyond boundaries

Year 2011 would go in the history of Tata Chemicals as the year we integrated all our international operations under the Tata brand. From 1st April 2011 onwards, the following corporate brand transition is in effect; General Chemicals Industrial Products Inc. - Tata Chemicals North America Inc., General Chemicals (Soda Ash) Partners - Tata Chemicals (Soda Ash) partners, Brunner Mond (UK) Limited - Tata Chemicals Europe Limited, Magadi Soda Company Limited - Tata Chemicals Magadi Limited, Brunner Mond SA (Pty) Limited - Tata Chemicals South Africa Pty Limited.



one mission diverse businesses

MISSION:

Serving society
through science

VALUES:

- Integrity
- Safety
- Excellence
- Care
- Innovation

VISION:

We shall be among the premier
chemical company in the world 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 innovations, learning through diversity and teamwork among employees

The Industry Essentials business

Comprises of products that serve as key ingredients in detergents, glass, and chemical processing – products that touch billions of lives, everyday.

Starting as a synthetic soda ash manufacturer in India, Tata Chemicals has grown into a global producer with 60 per cent of its soda ash now natural. Its capacity and scale have been boosted by international acquisitions.

Brunner Mond, now Tata Chemicals Europe Limited, with two production facilities at Northwich, UK, and one at Lake Magadi,

Kenya, now Tata Chemicals Magadi Limited, became a part of Tata Chemicals in 2006. Tata Chemicals South Africa Pty Limited and operations at Mombasa have significantly enhanced supply- chain capabilities.

Two years later USA-based General Chemical Industrial Products, now Tata Chemicals North America Inc., joined the Tata family. In early 2011, British Salt, producing approximately half of the UK's pure salt, used in applications ranging from food processing to chemicals production, became part of Tata Chemicals Europe Limited.

These acquisitions have made Tata Chemicals the world's second largest producer of soda ash with an annual capacity of more than 5 million tonnes.

Tata Chemicals developed its cement business from an environment and sustainability initiative. The cement plant at Mithapur, on the western coast of India, consumes the solid waste generated during the manufacture of synthetic soda ash.

Thousands of tonnes of soda ash effluent have been converted into cement. This is then used for high quality construction projects.



The Farm Essentials business

Comprises a full spectrum of products and services that improve the yield of farmlands in India.

Products include fertilisers, pesticides, specialty nutrients, seeds and agri-services. The company is the pioneer of crop and region-specific customised fertilisers. Its products provide balanced crop nutrition to the soil, boost productivity and improve the overall quality of farm yields.

Tata Chemicals has a dominant position in the crop nutrition area. Its subsidiary Rallis is a leader in the crop protection business.

The company produces and markets Tata Paras brand which is available in three key agri-nutrients : Nitrogen (N), Phosphorus (P) and Potassium (K). The nitrogenous fertiliser Urea is manufactured at Babrala in the north Indian state of Uttar Pradesh at one of the world's most energy efficient fertiliser plants. Phosphatic fertilisers DAP and their complexes are manufactured at Haldia in West Bengal and MOP is imported. Over and above this Tata Paras also offers a wide range of specialty and organic nutrients to offer complete balanced nutrition to the soil and improve productivity.

Through its network of over 700 Tata Kisan Sansars (farmer centres) in the heartland of India's northern and eastern states, the company helps small farmers enhance yields by providing them with end-to-end solutions. These centres are 'one-stop-shops' giving farmers access to a wide



range of resources and services. They stock seeds, pesticides and fertilisers and lease out farm equipment and implements to farmers who cannot afford to buy expensive modern machinery. The centres also provide agronomy services like soil testing, mapping and fertiliser testing. They facilitate credit finance, arrange crop insurance and provide buyback facilities.

The company's extensive expertise in chemicals manufacturing, the agriculture and crop-nutrition space, and its research capability through the Innovation Centre have also manifested in its biofuels business. Tata Chemicals is focused on working with sustainably grown feedstock for first generation bioethanol and biodiesel.

one inspiration many breakthroughs



Innovation:

Tata Chemicals' Innovation Centre in Pune, India, is a world-class research and development facility. The centre is focused on research into cutting-edge technologies and the emerging areas of nanotechnology, biotechnology and knowledge-based products.

Renowned, highly experienced, and enthusiastic scientists and technicians are creating innovative products that promote 'wellness'.

The Innovation Centre has contributed significantly to the development of the nanotechnology-enabled cartridge, in the 'Tata Swach' water purifier. The Innovation Centre has tie-ups with leading academic and research institutes across the globe.

Apart from this, the company is actively involved in biofuels through its investment in JOil in Singapore and Grown Energy Zambeze, Mozambique.



Paras Farmoola-
a pioneering innovative offering from Crop Nutrition & Agribusiness, launched in 2010 with an objective of improving soil health and farm productivity, thereby addressing the larger goal of food security.

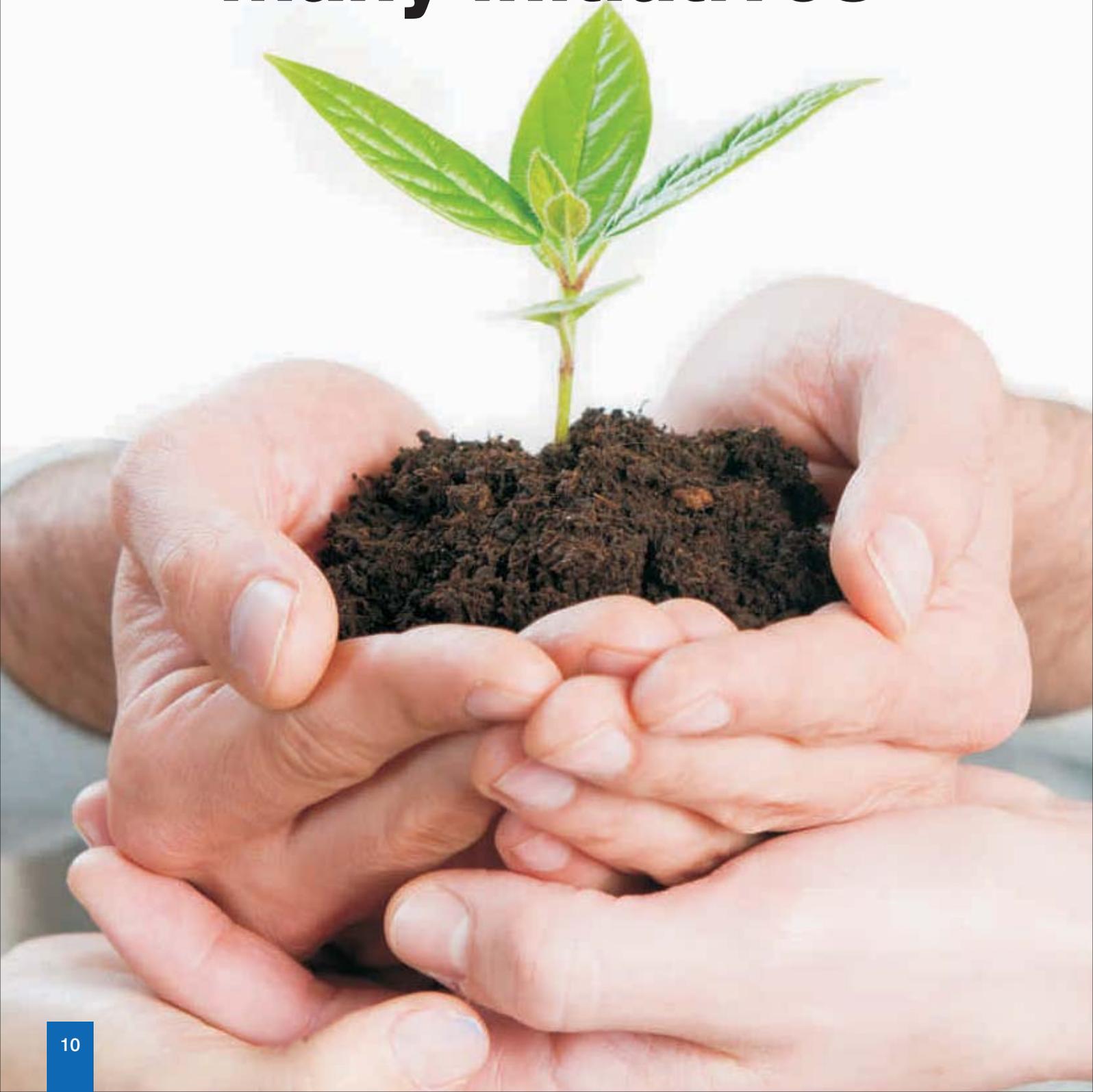


Tata Swach-
Nano Technology based most economical water purifier

- No need to boil
- No electricity required
- No running water required
- No chlorine
- No bromine
- No iodine
- Removes harmful bacteria and viruses



one conscience
many initiatives



Highlights of Community Development Initiatives

- Installed 7000-10,000 litre water capacity in 8 villages through drinking water taps connections and 1702 Rain Roof Water Harvesting Structures (RRWHS)
- TCSR's watershed management Program and agriculture intervention created 237 mct of water to bring 6420 acre of land under irrigation and helped improve the production by 40% to add Rs. 240 -270 lakhs of direct economic gain per year.
- Land Reclamation Program helped reclaim 1904 acres of land in all at both Babrala and Mithapur.
- Under Rural Entrepreneurship Development Program (REDP), trained 521 people and under the vocational training program trained 2932 persons in all across Babrala, Haldia and Mithapur.
- "Uday" – a Rural BPO, set up in partnership with Tata Business Service Solutions (TBSS) at Mithapur and Babrala to help bridge the rural and urban digital divide, employing 216 educated rural youth in all.
- "Okhai" a well-known brand for handicrafts and garments made by communities around Mithapur and Babrala has employed 317 rural women.

Corporate Sustainability-

Tata Chemicals' core values are ingrained in the principle of sustainability.

For company, sustainability means stakeholder engagement, environmental stewardship creating economic value, promoting human rights and building social capital. With the policy of 'reduce, recycle and reuse', the company ensures that its commitments towards improving its eco-footprints are fulfilled. Operations are chiefly driven by resource optimisation, alternative source of fuel and raw material, and maximising reuse and recycling. Tata Chemicals supports the UN Global Compact and is committed to reporting its sustainability performance in accordance with GRI guidelines. The company is lauded for its sincere efforts towards sustainability and its good environmental management practices.

Environment

The company is committed to Responsible Care, a voluntary global initiative by the chemicals industry to promote safety, health and environmental issues. All its operations follow recognised international standards for SHE management. Biodiversity and the protection of local flora and fauna are always given priority.

Community

Tata Chemicals works with NGOs and social organisations to support people local to its operations. It's partnering with communities and employee volunteering are widely recognised.



one vision many milestones

2003-04

in Rs. crore

Total Turnover (Net Sales)	2,524
EBITDA	444
PBT	326
PAT	221
EPS (in Rs.)	10.25
Dividend %	55%
Net worth	2,035

2004

Merger of Hind Lever Chemicals Limited with Tata Chemicals, as an initial step towards inorganic growth journey.

Innovation centre in Pune launched to develop world class R&D capability in the emerging areas of nanotechnology and biotechnology.

2005

The first step towards internationalisation with stake in Indo Moroc Phosphore SA (IMACID), Morocco.

2006

Brunner Mond Group, one of the world's largest manufacturers of soda ash with manufacturing facilities in the UK and natural soda ash at Lake Magadi, Kenya becomes a part of the Tata Chemicals family.

2008

Acquires US-based General Chemical Industrial Products Inc. to become the world's second largest soda ash manufacturer

Acquires equity stake in JOiL (Singapore), a jatropha seedling company and boosts biofuels capability

2009

Acquires controlling stake in Rallis India Limited, further enhancing the portfolio to increase farm productivity

2010

Acquires South Africa's Grown Energy which controls 95 per cent stake in Grown Energy Zambeze to build biofuels capabilities in Mozambique

Rallis India Limited acquires majority stake in Metahelix Life Sciences

2011

Tata Chemicals Europe Limited acquires British Salt, producing approximately half of the UK's pure salt

Rebranding global subsidiaries under Tata Chemicals corporate brand

2010-11

in Rs. crore

10,895	Total Turnover (Net Sales)
1,864	EBITDA
1,121	PBT
653	PAT (After Minority Interest)
26.10	EPS (in Rs.)
100%	Dividend %
5,452	Net worth

awards and recognitions

2010-11

Quality

- Sustained Excellence Award at JRDQV 2010

Corporate Sustainability and SHE

- "ICC" award for Excellence in Management of Safety, Health and Environment
- 4th in top ten Carbon Disclosure Leadership Index in CDP2010 - India 200 report
- CII ITC Sustainability Awards for TCL Babrala and Mithapur
- Serious Adopters' of Affirmative Action by Tata Group
- Gujarat Safety Council Award for TCL, Mithapur

Communications

- Gold Quill Awards for Excellence in Communications
- 11 ABCI National Awards and Star Communicator Company of the year for Corporate Communications
- 5 PRCI awards for communication excellence

Finance

- Silver ICAI Award for Excellence in Financial Reporting

Product

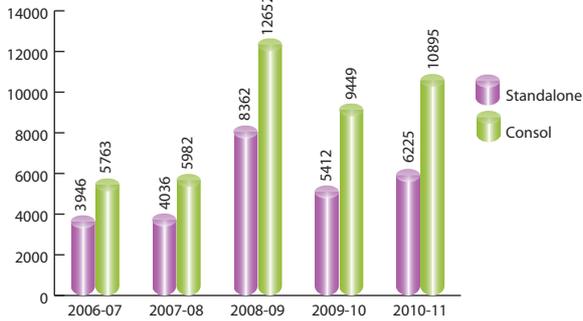
- Tata Salt Hall of Fame award at the Economic Times Brand Equity Survey 2010
- Pitch Marketing Award for Tata Swach in the 'Bottom of the Pyramid' category
- Gold at IDSA Design Awards for Tata Swach Design
- Sniff Award for Tata swach for New Product Innovation in Leapvault Change leadership Awards 2010

Innovation

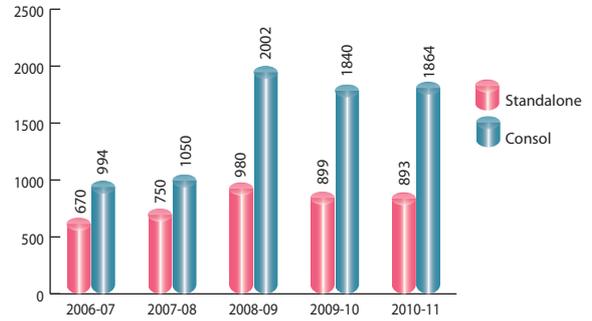
- Global ICIS award for Best Product Innovation - Tata Swach
- Gold' at the Asian Innovation Awards 2010 for Tata Swach



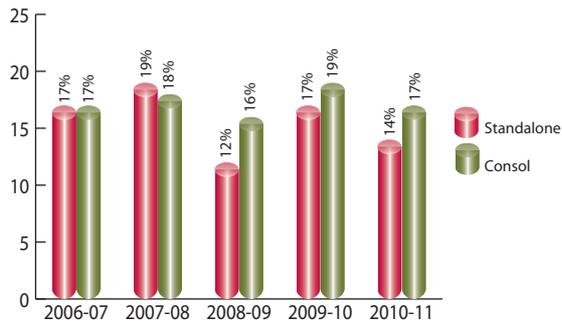
Turnover



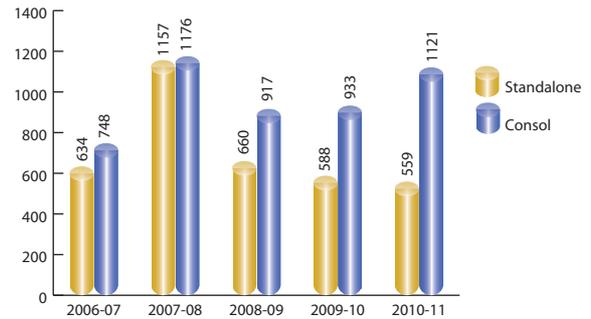
EBITDA*



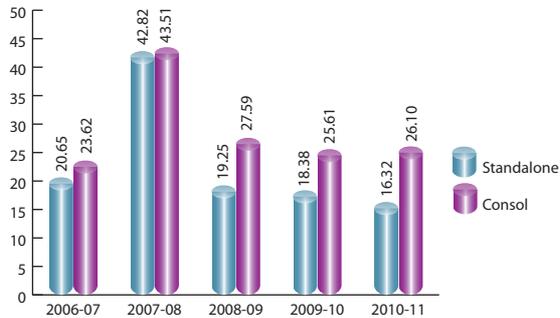
EBITDA Margin



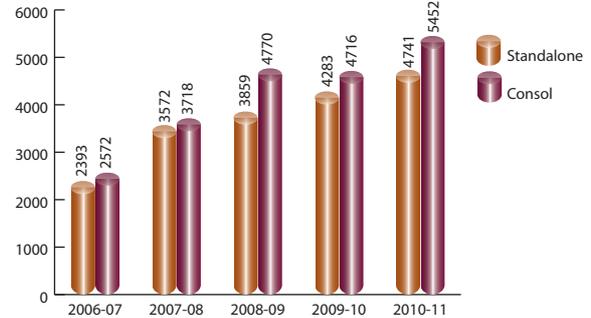
Profit Before Tax**



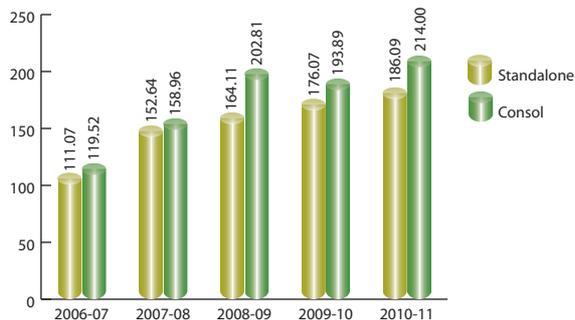
EPS**



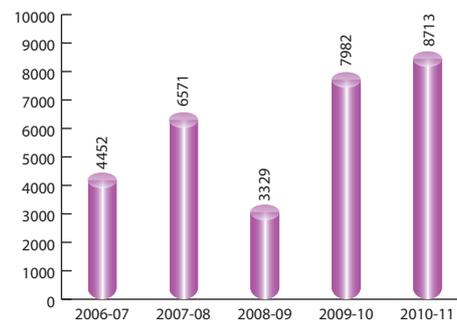
Net Worth



Book Value Per Share



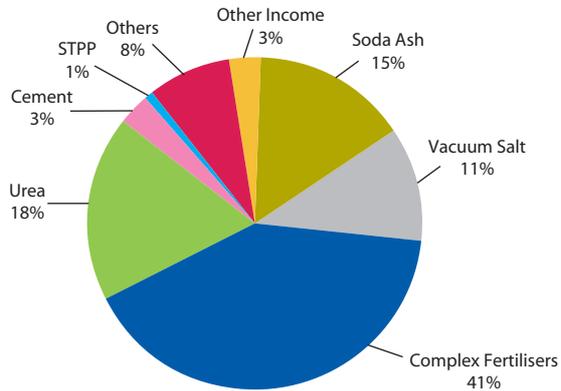
Market Capitalisation



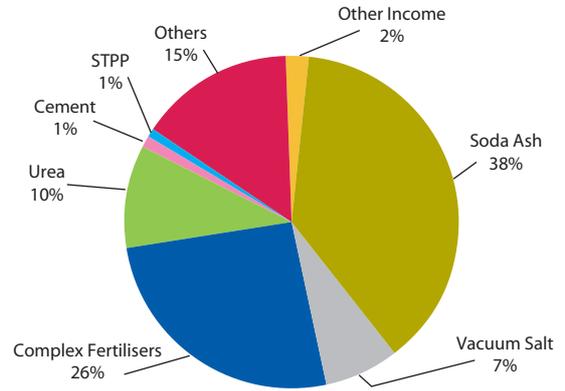
* EBITDA excludes other income, foreign exchange losses on borrowings (net), voluntary retirement scheme cost, impairment losses, actuarial gains/losses for overseas pension liabilities and restructuring costs.

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

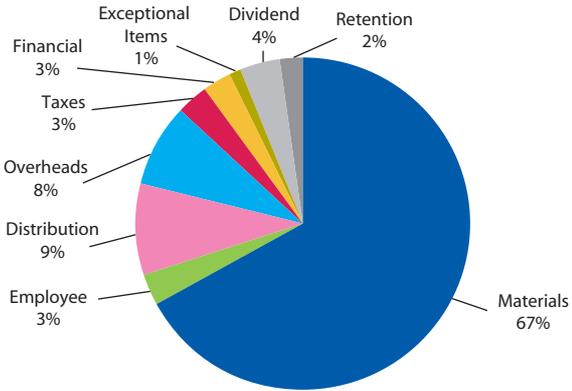
Revenue Breakup - Standalone



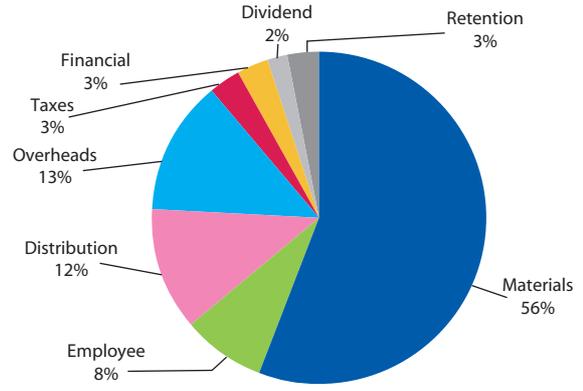
Revenue Breakup - Consolidated



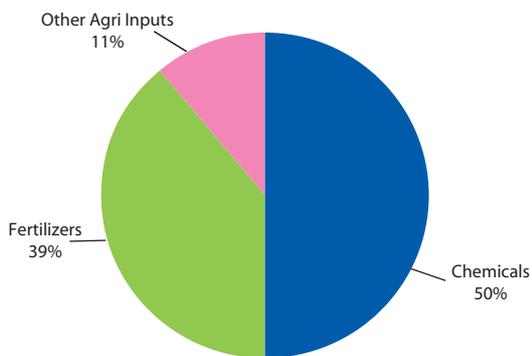
Expenditure Breakup - Standalone



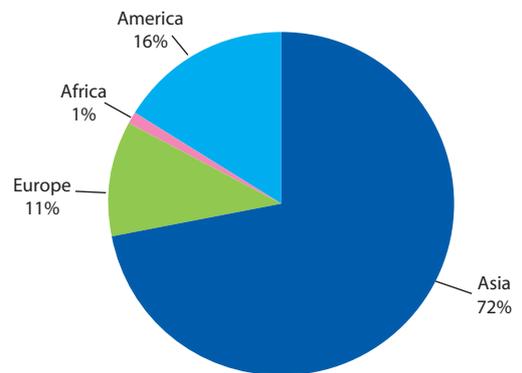
Expenditure Breakup - Consolidated



**Revenue Breakup - Consolidated
Chemicals, Fertilizers & Other Agri Inputs**



Geographical Revenue - Consolidated



NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY SECOND ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Tuesday, August 09, 2011 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, 2011 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. Nasser Munjee, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Dr. Yoginder K. Alagh, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. M.S. Ananth, who retires by rotation and is eligible for re-appointment.
6. To appoint auditors and fix their remuneration.

Notes:

1. 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 COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.

Book Closure and Dividend:

3. **The Register of Members and the Share Transfer Books of the Company will be closed from July 27, 2011 to August 09, 2011, both days inclusive.**
4. The dividend, if declared at the Annual General Meeting, will be credited / dispatched between August 10, 2011 and August 13, 2011 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on July 26, 2011 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 26, 2011 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.

5. 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.

6. National Electronic Clearing Services (NECS) :

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

Tata Chemicals Limited

Members holding shares in dematerialized form are requested to provide their latest bank account details with their Depository Participants.

Members holding shares in physical form are requested to provide their latest bank account details alongwith their Folio Number to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited.

- 7. Members holding shares in physical form are requested to consider converting their holdings to dematerialize 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.**

- 8. Unclaimed Dividends:**

Transfer to General Revenue Account

Pursuant to Section 205A(5) of the Companies Act, 1956, all unclaimed dividend upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government. Members, who have not yet encashed their dividend warrant(s) for the said period, are requested to forward their 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, 2003 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, 2003 have been transferred to the Fund.

It may be noted that the unpaid / unclaimed dividend for the financial year ended March 31, 2004 in respect of the Company is due for transfer to the Fund on September 20, 2011.

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, 2004 or any year thereafter is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same.

- 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Share Transfer Agents, M/s. TSR Darashaw Limited.**

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

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head-Legal

Mumbai
May 23, 2011

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

Green Initiative

The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the companies after considering the relevant sections of the Information Technology Act, 2000, for legal validity of compliances under Companies Act, 1956 through electronic mode. The MCA has vide its Circular Nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, provided that a company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode, provided the company has obtained the email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every member to register his/her email address and changes therein from time to time with the company. In cases where any member has not registered his/her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 53 of the Companies Act, 1956.

In light of the above, those members, who desire to receive notice / documents including Annual Reports through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to the Depository Participant / Company's Registrar & Share Transfer Agents, M/s. TSR Darashaw Limited for receipt of notice/ documents including Annual Reports through e-mail.

Seventy Second Annual Report 2010-2011

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

Particulars	Mr. Nasser Munjee	Dr. Yoginder K. Alagh	Dr. M.S. Ananth
Date of Birth	18.11.1952	14.02.1939	15.11.1945
Date of Appointment	25.09.2006	25.09.2006	03.04.2008
Qualifications	BSc (Hons.) and MSc (Economics)- London School of Economics	Ph.D in Economics	Ph.D in Chemical Engineering from the University of Florida, USA
Expertise in specific functional areas	Eminent Economist, Banker and Consultant on infrastructure	Eminent Economist with wide experience in policy making and planning	Chemical Engineer with expertise in Molecular Thermodynamics and Mathematical Modelling. He is the Director of Indian Institute of Technology (IIT), Madras
Directorships in other Public Limited Companies*	ABB Limited Ambuja Cements Limited Bharti AXA Life Insurance Company Limited Bharti AXA General Insurance Company Limited Britannia Industries Limited Cummins India Limited Development Credit Bank Limited HDFC Limited HUDCO Limited Neptune Developers Limited Shipping Corporation of India Limited Tata Motors Limited Unichem Laboratories Limited Voltas Limited	Rallis India Limited Shree Cements Limited Somany Ceramics Limited	Chennai Petroleum Corporation Limited UCAL Fuel System Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders'/ Investors' Grievance Committee)	Audit Committee ABB Limited - Chairman Cummins India Limited - Chairman Tata Motors Limited - Chairman Bharti AXA Life Insurance Company Limited - Member Neptune Developers Limited - Member HUDCO Limited - Member Unichem Laboratories Ltd. - Member Voltas Limited - Member	Audit Committee Rallis India Limited - Member Shree Cements Limited - Member Shareholders'/ Investors' Grievance Committee Shree Cements Limited - Member	Audit Committee Chennai Petroleum Corporation Limited - Member UCAL Fuel System Ltd. - Member
No. of shares held in the Company	NIL	NIL	NIL

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

DIRECTORS' REPORT

TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their seventy second Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011:

FINANCIAL RESULTS

Particulars	Rupees in crores			
	Standalone		Consolidated	
	2010-11	2009-10	2010-11	2009-10
Total Income	6440.89	5669.23	11156.34	9712.36
Profit before Depreciation, Impairment & Exceptional items	800.02	885.97	1608.87	1615.44
Less : Depreciation and Impairment	214.54	189.56	461.13	484.05
Less : Exceptional items	26.78	108.28	26.78	198.49
Profit before tax	558.70	588.13	1120.96	932.90
Tax	150.21	153.35	274.92	209.32
Profit after tax	408.49	434.78	846.04	723.58
Minority Interest	-	-	192.57	131.14
Share of Profit in Associates	-	-	-	13.47
Profit Attributable to shareholders	408.49	434.78	653.47	605.91
Add:				
Balance in Profit and Loss Account	1869.33	1733.32	2374.96	2081.15
Amount available for Appropriation	2277.82	2168.10	3028.43	2687.06
Appropriations -				
(a) Proposed Dividend	254.76	218.93	254.76	218.93
(b) Tax on Dividend	38.79	36.36	41.33	37.11
(c) General Reserve	40.85	43.48	53.47	53.58
(d) Other Reserve	-	-	-	2.48
(e) Debenture Redemption Reserve	-	-	12.50	-
(f) Balance Carried forward	1943.42	1869.33	2666.37	2374.96
	2277.82	2168.10	3028.43	2687.06

DIVIDEND

For the year under review, the Directors have recommended a dividend of ₹ 10 per share (₹ 9.00 per share for the previous year), on the Equity Shares of the Company, aggregating to ₹ 293.55 crores [including Dividend Tax (net)].

PERFORMANCE REVIEW

The turnover of the Company increased from ₹ 5,412 crores to ₹ 6,225 crores registering a growth of 15% over previous year. Profit Before Tax was ₹ 559 crores whereas Profit After Tax was at ₹ 408 crores, a decrease of 5% and 6% respectively over previous year.

Consolidated turnover increased from ₹ 9,449 crores to ₹ 10,895 crores, an increase of 15% over previous year. On consolidated basis Profit Before Tax was ₹ 1,121 crores whereas Profit After Tax was at ₹ 846 crores, an increase of 20% and 17% respectively over previous year. Profit attributable to the Group after deducting the minority interest was at ₹ 653 crores, an increase of 8% over previous year.

Tata Chemicals Limited

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

1. INORGANIC CHEMICALS SEGMENT**1.1 INDIA OPERATIONS:**

During the year, Industrial Chemicals in India achieved sales of ₹ 1,202 crores compared to sales of ₹ 1,148 crores in the previous year. The year witnessed an increase of 5% in Gross Sales Realisation (GSR) of Soda Ash at ₹ 14,400/ MT as compared to previous year figure of ₹ 13,690/MT. Growth of all key consuming sectors such as float glass, container glass and detergents led to a 5% demand growth for soda ash. Sodium bicarbonate continued to experience robust demand with the market growing by 15% on the back of a 14% growth in Financial Year (FY) 2010-11. Key debottlenecking projects in both soda ash and sodium bicarbonate along with one fully automated packing line for sodium bicarbonate were completed during the year. A branded food grade sodium bicarbonate offering sodacarb® was also launched during the year.

Soda Ash

Demand growth in FY 2010-11 was driven by growth of all key soda ash consuming segments. The Company further strengthened its relationship with its customers and focused on improving service levels to consolidate its position in the marketplace. Despite pressure on prices, the higher volume off take helped to achieve a superior performance. Key debottlenecking projects were completed in the plant at Mithapur. The announcement of new float glass and container glass projects by glass companies in the near future provide an indication that demand for soda ash will continue to remain robust in the foreseeable future. The other key consuming sectors such as detergents and chemicals are also expected to grow on the back of growing national economy.

The Company's production of soda ash at Mithapur in FY 2010-11 was 696,746 MT as against previous year's figure of 695,721 MT. This was despite the severe monsoon (~60" of rainfall) in 2010 which disrupted plant operations. The Company achieved sales of 668,774 MT of soda ash during the year as against the sales of 675,481 during the previous year. Of this, 93% was sold in the domestic market compared to 87% in FY 2009-10.

Sodium Bicarbonate

During the year, the Company achieved the highest ever Sodium Bicarbonate production of 78,278 MT which was 9% higher than in the previous year. Sales at 76,289 MT were 7% higher than the previous year for a product which till now has been relatively insulated from economic cycles. In FY 2011-12, the Company launched its Sodakarb®, branded bicarbonate in the Indian market, aimed at food applications. This is in line with our stated plans as the domestic market matures and grows over a period of time to introduce other brands in our global portfolio.

Cement

The Company's cement plant was set up in 1993 to handle solid wastes generated as by-products of soda ash manufacture. The Company uses technology to separate solid effluents and process them into Ordinary Portland Cement (OPC) and Masonry Cement. During the year, the production of OPC cement and masonry cement were at 341,693 MT and 77,053 MT respectively whereas the sale of OPC cement and masonry cement were 332,491 MT and 76,903 MT respectively.

Consumer Products - Salt and Related Products

Consumer Products demonstrated robust performance during the FY 2010-11 by leveraging its distribution system and strong brand equity.

Iodized Salt production in Mithapur was 553,386 MT in FY 2010-11, up by 3% from 537,033 MT in FY 2009-10. Overall salt sales grew by 9% from 744,598 MT in FY 2009-10 to 808,165 MT in FY 2010-11. Tata Salt grew by 9% in volumes from 543,441 MT in FY 2009-10 to 591,334 MT in FY 2010-11. I-Shakti registered a volume growth of 7% from 187,949 MT in FY 2009-10 to 201,888 MT in FY 2010-11. Amongst

the major brands, I-Shakti continues to maintain the most distributed brand after Tata Salt with a reach of 6.06 lacs retail outlets. The Company's market share of its salt portfolio has increased to 62% in the National Branded Salt segment, up from 59% in FY 2009-10.

I-Shakti cooking soda sales showed an encouraging growth of 61% with sales of 1,003 MT in FY 2010-11 as compared to 623 MT in FY 2009-10.

Sales turnover of the consumer business grew by 18% from ₹ 652 crores in FY 2009-10 to ₹ 772 crores in FY 2010-11.

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 OVERSEAS OPERATIONS

1.2.1 Tata Chemicals North America Inc. USA (formerly known as General Chemicals Industrial Products Inc.,)

During the year, Tata Chemicals North America Inc. (TCNA) achieved gross sales of USD 399 million (₹1,818 crores) and EBITDA of USD 118 million (₹ 538 crores). These were higher by 3% and 5% respectively over previous year figures. During the year, the company's Wyoming soda ash operations achieved record levels of production and productivity (tons produced per employee), while also achieving a record low for number of recordable accidents at the site.

TCNA volumes during the year totaled 2,383,568 MT, 10% higher than the previous year total of 2,182,000 MT. Export sales volumes were up 25% as against previous year, with sales to Latin America and Asia the primary drivers. Sales volumes to North America customers were 98% of previous year with increase in flat glass, but volume demand declined in container glass, detergent and chemical end use markets. Price increases throughout the year were driven by high capacity utilization rates in the US soda ash industry, raw materials cost increases at global synthetic soda ash producers, and a weakened dollar.

1.2.2 Tata Chemicals Europe Ltd. (formerly known as Brunner Mond Europe)

Tata Chemicals Europe Ltd. (TCEL), which includes 3 months of sales from its recently acquired salt operation of British Salt Ltd. achieved sales turnover of GBP 167 million (₹ 1,185 crores) registering a decline of 12% over the previous year. EBITDA was down to GBP 21 million (₹ 148 crores). Soda ash production volumes and increased carbon prices were the two main causes of the fall in EBITDA compared to previous year of GBP 33 million (₹ 251 crores).

Soda Ash

Soda Ash production was 783,671 MT down by 5% compared to previous year. The two main issues were carbon supply problems for the kiln operations and much more importantly, the result of extreme winter weather suffered in December/January which resulted in soda ash production volumes being severely impacted in 3rd and 4th quarters of the year while major repairs were completed. Production levels are now returning to normal levels.

Sodium Bicarbonate

Sodium bicarbonate production and sales were 99,447 MT and 99,741 MT respectively, a 11% increase over previous year as the new production facility grew its output in line with the growth plan.

Salt

The 3 months of British Salt Ltd.'s operation generated Sales of GBP 11 million (₹78 crores) and EBITDA of GBP 4 million (₹ 30 crores) ahead of forecasts made at the time of acquisition.

1.2.3 Tata Chemicals Magadi Limited, Kenya (formerly known as Magadi Soda Company Limited)

Turnover during the year was at USD 97 million (₹ 442 crores) as against USD 91.08 million (₹ 432 crores) of previous year, registering an increase of 7%. Sales of Standard Ash (SAM) declined during the year mainly due to increased competition in the South African Market from American soda ash producers and loss of a major customer in the last quarter of the year. The markets showed a strong recovery in the

Tata Chemicals Limited

second half of the period and the company renegotiated new prices with the customers in the fourth quarter of the year. Premium Ash (PAM) sales increased in both quantities and prices. This was due to improved production from the PAM plant in the period as well as a growing demand in the Asian market particularly India and Middle East.

Combined sales volumes for both PAM and SAM were 482,731 tonnes compared to 455,928 tonnes for the previous year, an increase of 6%. The EBITDA was decreased by 28% to USD 9 million (₹ 41 crores) from USD 12 million (₹57 crores) for the previous year. This is attributable to higher production costs arising from higher HFO prices and adverse PAM plant fuel efficiencies.

Going forward, the company is focused on plant optimization through initiatives such as Lean Six Sigma, Magadi Return To Excellence (MRTE) and stringent cost control measures as well as cash conservation.

2. FERTILISER SEGMENT

TCL has significantly grown in Agri space over the past few years. With its farm essentials portfolio, the Company has carved a niche in India as a crop nutrients provider. It is a prominent manufacturer of Urea and Phosphatic Fertilisers in India. In addition to the traditional Sales Channel, TCL also operates Retail Outlets under the brand of Tata Kisan Sansar (TKS). TCL has a Joint Venture with IMACID, Morocco for manufacturing of Phosphoric Acid with 33% stake. With the acquisition of Metahelix Life Sciences by Rallis India, a subsidiary of the Company, TCL moved a step ahead to become an integrated Agri solution provider.

2.1 CROP NUTRITION BUSINESS

Crop Nutrition business comprises of Nitrogenous Fertilisers i.e. Urea manufactured at Babrala Plant and Phosphatic Fertilisers like DAP, NPK, SSP manufactured at the Haldia plant. In addition to these, the Company imports and sells MOP and DAP and supply other crop nutrition products like Specialty Fertilisers and organic materials. The Crop Nutrition and Agribusiness operations of the Company achieved a turnover of ₹ 3,491 crores during FY 2010-11.

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 Nutrient based subsidy introduced from April, 2010 is aimed at improving agricultural productivity, encouraging balanced use of fertilisers and enhancing customization to suit crop and soil requirements.

Urea

At Babrala, the Plant achieved an annual Urea production of 1,117,153 MT, lower by 114,058 MT compared to previous year. Urea sales quantity declined by 7% in FY 2010-11 due to damage of R-502 convertor and a plant shut down due to floods. Market share of Urea in the FY 2010-11 was 4% as against the previous year's figure of 5%. The plant also achieved highest ever accident free Million Man hours of 13.01. The Energy consumption level of plant during the year was 5.26 GCal/MT as against 5.17 GCal/MT of the previous year due to the disruptions mentioned earlier.

DAP / NPK / SSP

The Haldia plant achieved a combined production of 710,379 MT of DAP, NPKs and SSP during the FY 2010-11 against last year's production of 675,996 MT. The sales of DAP, NPKs and SSP were 705,384 MT against 704,036 MT last year. Market share of DAP, NPK and SSP were 4.4%, 8.8% and 11% respectively during the year. Haldia site was awarded 5 Star rating (Score of 97%) by British Safety Council. During the year, the Unit signed the Contract Labor Settlement as well as the Long Term Settlement with the unionized staff of the Unit. Government has recently allowed charging market based price for Boronated SSP in line with basic spirit of Nutrient Based Subsidy (NBS).

Imported Products (DAP / MOP)

With the implementation of NBS for NPK/DAP/MOP products, importers/manufacturers have been given free hand to plan their production and imports as per need of the market. This will help in leveraging the

best price from international suppliers as well as easy availability of fertilisers in every corner of the country at market price.

Subsequent to the announcement of NBS in the union budget for FY 2010-11, whereby the Company is allowed to fix the MRP for all the Phosphates' & Potassic fertiliser, the import in the country has sharply increased. The Company also imported Di – ammonium phosphate and Potassic fertiliser (for direct application) of 278,492 MT and 211,735 MT as against the previous volume of 66,650 MT and 182,072 MT respectively.

Specialty Crop Nutrients and Micro-Nutrients

Keeping customer centricity at the core, the engagement of the Company with the farmers further got strengthened with the introduction of two new products – Seaweed extract and MAP in addition to the existing range of Specialty Fertilisers products like Calcium Nitrate, Zinc Sulphate, Bentonite Sulphur, etc. The Company continued to grow in the specialty fertilisers category with a healthy growth rate. The Company's extensive network of dealers and retailers helped to achieve record sales primarily in north India. The Tata Paras brand continues to enjoy a very high farmer loyalty. The Company aspires to expand its footprints to a national scale.

Customised Fertilisers – A new line of business

TCL entered into a new field of crop and region specific Customised Fertilisers that provides balanced crop nutrition to the soil, boosts the productivity of crops and improves the overall soil health. Branded as "Paras Farmoola", these fertilisers contain macro and micro nutrients required by selected crops in specific regions. They have been designed and developed on the basis of geo-referenced soil, crop and water samples for the Western UP region in North India. Paras Farmoola applications promote sustainable agriculture by maintaining soil health and providing the best nutritional package for better plant growth and premium quality output. Paras Farmoola application increases productivity levels by more than 20% in target crops like Paddy, Wheat, Sugarcane & Potato.

India's first manufacturing facility for Customised Fertilisers at Babrala with annual capacity of 130,000 MT is expected to be commissioned during FY 2011-12.

2.2 TATA KISAN SANSAR

TCL operates retail outlets under the brand of Tata Kisan Sansar (TKS). It acts as one stop shop where it offers quality agricultural inputs and Agri Solutions such as advice on crops, application services and farming practices etc. TKS centers provide generic as well as store brands of Fertilisers (Urea, DAP, MOP, NPK, etc), Specialty Fertilisers (Zinc sulphate, boron, micronutrients, calcium nitrate, organics, water soluble fertilisers) Seeds (Field crops, vegetable crops), entire range of Pesticides, Cattle feed and Farm implements.

Along with the above mentioned inputs, TCL is providing products of other reputed companies through this retail network which helps farmer to get all nutrients and input under one roof. In addition to above inputs, training is also provided to farmers in context to nutrient and pest management.

TKS also provides services such as soil and water testing, contract farming, seed production, application services and advisory services. On relationship building front, TCL provides Farmer membership (individual & group), Accident insurance to members, Farmer meets and Crop seminars.

During the year, continuous impetus has been laid upon stabilizing Supply Chain and improving the look of the Branded TKS Outlets.

3. OTHER AGRI INPUTS

Rallis India Limited (Rallis)

Rallis' Crop Protection Chemicals business performed well overall. Rallis posted a sales turnover of ₹ 1,047 crores during the year registering a growth of 20% over the previous year figure of ₹ 875 crores. Profit Before Tax was higher by 21% at ₹ 184 crores with the highest ever net profit of ₹ 126 crores which is 25% growth over last year.

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The Domestic Formulation business registered a growth of 20% over the previous year, driven by an excellent performance of the key brands. The International Business Division registered an increase of 34% in sales as compared to the sales during FY 2009-10 and it comprised 23% of the total revenues of the company during the year.

During the year, Rallis has acquired a 60.21% stake in Metahelix Life Sciences, a research led seeds company. This acquisition will firm up the Company's presence in the entire Seeds Value Chain that comprises breeding, production and marketing of seeds.

4. OTHERS**4.1 Water Purifier Business**

TATA SWACH water purifier which was launched in 2009 has been accepted very well in the market place. Tata Swach is currently available for sale in more than 12 states including Maharashtra, Karnataka, Andhra Pradesh, West Bengal, Delhi, Uttar Pradesh and other markets across the country. The key components of the Tata Swach unit are being manufactured at the TCL plant in Haldia, West Bengal which has an existing capacity of 1.8 million units per annum. The capacity is being ramped up to meet the expected increase in demand.

The sale of the product as well as those of replacement bulbs have been in line with expectations. In view of the increasing demand of bulbs, a second plant is being commissioned in Nanded, Maharashtra.

4.2 Pulses

During the year, pilot launch of I- Shakti pulses was done in the states of Tamil Nadu and Maharashtra. The pilot was aimed to integrate the strength of the Company's presence in both farm and consumer facing ends of the business. The Company worked closely with farmers helping them to improve the productivity of pulses and also sourced good quality pulses which was marketed through the consumer products distribution network. The consumer response to the pilot launch was favourable and the Company intends to take the branded pulses business national in the coming year.

4.3 Biofuels

As a part of its Biofuels 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 now plans to set up a first generation bioethanol plant based on sugarcane only at Mozambique.

5. JOINT VENTURES**5.1 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 Limited 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 cumulative production of Phosphoric acid in this period was 362,842 MT against 416,947 MT of the previous year. The lower production was in line with planning since a major shutdown of the plant had been taken during December Quarter to replace a Boiled and a Super-heater in the Sulphuric Acid plant which had come to the end of their useful life. Major overhauling of other plant and machinery was also undertaken to remove other weaknesses in the plant arising out of continuous operation of the plant.

5.2 Khet-Se Agriproduce India Private Limited

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

During the year, 2010-11, Khet-se achieved a total distribution of 5660 MT against 4077 MT of fresh produce valued at ₹ 9.46 crores against ₹ 7.17 crores in the previous year. Khet-Se brand of Banana is now

available with all the major retail chains like Wal- Mart, Spencers, and Reliance as a premium brand. Volume of business for Khet-Se Greens (Vegetables) has doubled during the current year. Key customers for greens are organised retails in Punjab and Chandigarh. This business is yet to achieve the break-even point and the desired level of turnover.

5.3 JOil (Singapore) Pte. Limited (JOil)

JOil, a Jatropha seedling company, is based in Singapore in which the Company holds 33.78% stake. JOil has been set up by the Temasek Life Sciences Laboratory Limited (TLL), Temasek Life Sciences Ventures Pte. Limited (a subsidiary of Temasek Holdings) and other investors in Singapore. JOil will set up commercial seed orchards and tissue culture labs in various locations, to produce and market high yielding Jatropha seedlings. 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.

FINANCE

During the year, the Company issued 1,15,00,000 equity shares of ₹ 10/- each to Tata Sons Limited on a preferential basis, at a price of ₹ 316/- per equity share resulting in an infusion of ₹ 363.40 crores to fund the Company's growth plans.

Despite the increase in the level of working capital and increase in interest rates the Company was able to contain the borrowings at almost the same levels of the previous year and as a result of which net borrowing cost for the year was lower than previous year.

During the year, an amount of GBP 150 million (₹ 1077 crores) has been raised by the Company's subsidiary, Tata Chemicals Europe Holdings Limited, without recourse to the Company, to finance the acquisition of British Salt and to part refinance the existing loans of Tata Chemicals Europe Limited (formerly known as Brunner Mond).

During the year, the Company and its step-down subsidiary, Homefield Pvt. UK Limited have bought back a part of the USPP notes of USD 50 million (₹ 223 crores). This is in addition to the USD 50 million (₹ 225 crores) bought back during F.Y. 2009-10.

During the year, the Company's step-down subsidiary, Tata Chemicals Magadi Limited (formerly known as The Magadi Soda Company Limited) has repaid Shareholders' loan to the extent of USD 40 million (₹ 178 crores).

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial results reflect the operations of following Subsidiaries:

- Homefield Pvt. UK Limited, UK, the holding company for Tata Chemicals Europe Holdings Limited and Tata Chemicals Africa Holdings Limited and its holding company Homefield International Pvt. Limited, Mauritius.
- Valley Holding Inc., US, the holding company for Tata Chemicals North America Inc. (formerly known as General Chemicals 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.
- Grown Energy (Proprietary) Limited, South Africa, the holding company for Grown Energy Zambeze Limitada, Mozambique and its holding company Grown Energy Zambeze Holdings Pvt. Limited, Mauritius.

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- Tata Chemicals Asia Pacific Pte Limited Singapore, Bio Energy Venture-2 (Mauritius) Pvt. Limited and its holding company Bio Energy Venture-1(Mauritius) Pvt. Limited.
- Rallis India Limited

The consolidated financial results reflect the operations of following Joint Ventures:

- IMACID to the extent of the Company's 1/3rd share in the Joint-Venture,
- Khet-se Agriproduce India Private Limited to the extent of the Company's 50% share in that Joint-Venture.
- JOil (Singapore) Pte. Limited to the extent of 33.78% share in the Joint-Venture.

DIRECTORS

During the year, Mr. Kapil Mehan, Executive Director, resigned from the services of the Company with effect from August 31, 2010 and also ceased to be a Director on the Board of the Company with effect from August 31, 2010. The Board wishes to place on record its appreciation for his valuable contribution during his long association with the Company.

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

CORPORATE GOVERNANCE

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

INFORMATION TECHNOLOGY

As part of the Company's efforts to unify the IT platform across the Company and its subsidiaries, SAP was implemented at Tata Chemicals Magadi Limited which went live in January 2011 and will now be followed by other overseas subsidiaries. Further, as part of the global rebranding exercise all overseas subsidiaries of the Company have migrated to a common email platform hosted from the Mumbai server. To comply with the impending IFRS legislation system, configuration changes are in progress to get financial statements as per IFRS.

AWARDS AND RECOGNITIONS

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

Quality

- Sustained Excellence Award at JRDQV 2010

Corporate Sustainability and SHE

- "ICC" award for Excellence in Management of Safety, Health and Environment
- 4th in top ten Carbon Disclosure Leadership Index in CDP2010 - India 200 report
- CII ITC Sustainability Awards for TCL Babrala and Mithapur
- Serious Adopters' of Affirmative Action by Tata Group
- Gujarat Safety Council Award for TCL, Mithapur

Communications

- Gold Quill Awards for Excellence in Communications
- 11 ABCI National Awards and Star Communicator Company of the year for Corporate Communications
- 5 PRCI awards for communication excellence

Finance

- Silver ICAI Award for Excellence in Financial Reporting

Product

- Tata Salt Hall of Fame award at the Economic Times Brand Equity Survey 2010
- Pitch Marketing Award for Tata Swach in the 'Bottom of the Pyramid' category
- Gold at IDSA Design Awards for Tata Swach Design
- Sniff Award for Tata swach for New Product Innovation in Leapvault Change leadership Awards 2010

Innovation

- Global ICIS award for Best Product Innovation – Tata Swach
- Gold at the Asian Innovation Awards 2010 for Tata Swach

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.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the FY 2011-12. The members are requested to consider their appointment and authorise the Board of Directors to fix their remuneration. The auditors have, under Section 224(1B) and Section 226 of the Companies Act, 1956, furnished certificate of their eligibility for the appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz., March 31, 2011 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

RATAN N. TATA
Chairman

Mumbai
Date: May 23, 2011

Tata Chemicals Limited

ANNEXURE TO THE DIRECTORS' REPORT

Annexure 'A'

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

Disclosures

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

- Installation of variable speed drives for HCT and HRT in ESF plant.
- Installation of solar powered 50 no's of street lights at various locations in the plant as well as in the township.
- Rectifier up-gradation in chloro caustic plant.
- Replacement of inefficient Cl₂ compressor with efficient compressor.
- Increasing the height of Lime kiln and modification of top mechanism and replacement of brick lining.
- Supply Voltage optimization.
- Energy efficient lighting using T5 & MH.
- Replacement of Split ACs and Township fans by 5 star rated ones.
- Astronomical Timers for twilight switching.
- Steam consumption improved in Turbo Generator in Sulphuric Acid Plant by improving vacuum conditions & steam conditions from upstream Boiler.
- In Single Super Phosphate plant, Ball Mill efficiency was improved from 11 to 12.8 TPH. By this, Specific Energy consumption in Single Super Phosphate plant improved.
- Energy Audit was carried out internally and the areas where power was wasted were identified & provided with timer. Transpak sheets were introduced in Ware House areas to minimize day time power consumption.
- Replaced 15 nos 125W Hg. Vapour lamps with 70 Watt Metal Halide lamps for street light illumination & power saving.
- Major Inspection (MI) of GT-2 has been carried out, which resulted in increase in overall output by 3.3% and heat rate reduced by 2.05%.
- Prevacuum separator (MV-29) internals modification carried out to reduce steam consumption in Urea plant.
- Titanium Urea Stripper replaced with Bi-metallic Urea Stripper in 21-Urea Stream to reduce steam consumption in Urea plant.
- High temperature steam condensate line (LC header) insulated to reduce heat losses in 11&21 Urea streams.
- Ammonia Cooling Tower cells (03Nos.) renovation carried out to improve CT efficiency resulting in ammonia energy improvement.
- Variable Frequency Drives (VFD) installed for waste water transfer pumps (11/21 P-21 A/B) in Urea Plant to reduce urea plant power consumption.
- Medium Temperature Shift Converter (MTS) catalyst replaced in ammonia plant, which reduced the pressure drop in the front end of the plant.

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

- New capital projects being done with energy efficient motors, energy efficient lighting, high efficiency distribution transformers & Intelligent Motor Control Centres.
- New Energy Audit - Power plant energy audit awarded to ERDA, Cement Plant energy audit awarded to CIL. Measurement phase in progress.
- Renovation of Fur-C with new burner blocks and tie rods.
- Replacement of Membrane, CTMM for Electrolyser.
- Existing Titanium Urea Stripper replacement is planned with Bi-metallic Urea Stripper in 11-Urea Stream to reduce steam consumption in Urea plant.
- Arrangement for back flushing of Urea Exchangers to improve efficiency.
- Implementation of Advanced Process Controller (APC) in Captive Power Plant (CPP) to improve CPP efficiency.

(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 of power consumption.
- Reduction in green house gas emission.
- By improving vacuum conditions & steam conditions from upstream Boiler, Steam consumption improved from 6.1 TPH to 4.8 TPH in Turbo Generator in Sulphuric Acid Plant.
- In Single Super Phosphate plant, throughput improved from 20 to 23.5 TPH. By this, Specific Energy consumption in Single Super Phosphate plant improved from 28 KWH/T to 24 KWH/T of SSP & Improved cost of production.
- By closing Energy Audit points, the areas where power was wasted in day time were reduced through timer implementation. Transpak sheets were introduced in Ware House areas to minimize day time electric power usage.
- Improved energy efficiency of Ammonia Plant by reducing fuel consumption and steam consumption.
- Improved energy efficiency of O&U by reducing fuel consumption.
- Improved energy efficiency of Urea Plant by reducing steam/ power consumption.

(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 2010-2011	Previous Year 2009-2010
1 ELECTRICITY		
(a) Purchased		
Units (Kwh)	4,15,04,115	4,13,76,845
Total Amount (₹ Crores)	24.90	19.64
Avg. Rate (₹/Kwh)	6.00	4.75
(b) Own Generation		
(i) Through Diesel Generation (Mwh)	—	—
Unit per litre of diesel	—	—
Cost per Unit (₹)	—	—
(ii) Through Power Plant Unit (Mwh)	—	—
Cost per Unit (₹/Kwh)	—	—
(iii) Through Steam Turbine/Generator Unit (Mwh)	4,51,717	4,39,192
Steam produced (Tonnes)	46,89,462	45,25,372
Total Value of Electricity and Steam produced (₹ Crores)	334.24	251.41
(iv) Through Gas Turbine		
Units produced (MWh)	1,71,757.00	1,77,515.00
Steam produced (Tonnes)	11,94,249.00	12,64,928.87
Total Value of Electricity and Steam produced (₹ Crores)	117.74	76.27
2 Coal (specify quality and where used) (Mostly imported Coal received from various sources and "A" Grade Lignite are used in Boilers)		
Quantity (Tonnes)	6,56,965	5,89,458
Total Cost (₹ Crores)	321.48	238.97
Average Rate (₹/Tonne)	4,893.36	4,054.10
3 Natural Gas		
Purchased (SCM)	23,31,49,217.00	24,05,17,785.00
Total Cost (₹ Crores)	187.30	111.97
Average Cost (₹/SCM)	8.03	4.66
4 RLNG		
Purchased (SCM)	43,98,184.00	2,20,03,596.00
Total Cost (₹ Crores)	8.81	28.39
Average Cost (₹/SCM)	20.03	12.90
5 Naphtha		
Purchased (KL)	1,105.42	3,867.57
Total Cost (₹ Crores)	1.95	6.83
Average Cost (₹/KL)	17,656.00	17,655.96
6 Furnace Oil		
Purchased(KL)	2,059.39	3,115.00
Total Cost (₹ Crores)	5.62	8.00
Average Cost (₹/KL)	27,282.00	25,669.00
7 HSD		
Purchased(KL)	674.85	412.00
Total Cost (₹ Crores)	2.51	1.40
Average Rate(₹/KL)	37,263.00	33,902.00

CONSUMPTION PER UNIT OF PRODUCTION

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2010-2011	Previous year 2009-2010	Current Year 2010-2011	Previous year 2009-2010
Soda Ash Light	169.49	165.63	3.60	3.60
Sodium Bicarbonate	53.03	54.39	0.78	0.75
Caustic Soda Evaporated	2641.29	2914.79	1.88	2.60
Vacuum Evaporated Salt	59.39	59.65	2.15	2.09
Cement	147.01	145.39	—	—
Urea	62.46	60.20	1.00	0.95
Ammonia	158.33	147.54	0.12	0.13
Sulphuric Acid	43.72	58.00	—	—
Phosphoric Acid	375.09	468.00	0.914	0.221

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CONSUMPTION PER UNIT OF PRODUCTION (contd.)

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current Year 2010-2011	Previous year 2009-2010	Current Year 2010-2011	Previous year 2009-2010
Sodium Tripolyphosphate	409.68	413.00	2.04	1.35
Diammonium Phosphate	51.89	47.00	0.07	0.07
NPK Complexes	33.27	32.00	0.05	0.04
Single Super Phosphate	23.40	27.00	—	—
	Furnace Oil Ltr/Tonne			
	2010-2011	2009-2010		
Sodium Tripolyphosphate	98	166		
Diammonium Phosphate	0.54	1.04		
NPK Complexes	2.23	2.51		

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

- KTMS type mixed salt & KCL recovery from sea bittern.
- Developments of manufacturing process of Papad khar.
- Improved vacuum salt quality & productivity through the absorption of Evatherm Technology, Switzerland.
- Improvement in Bicarbonate efficiency.
- Improvement in effluent filtration efficiency.
- Fluorine reduction in liquid effluent by incorporating two stage neutralizer steps in process.
- Incorporation of additional 4 nos spray nozzles in gas duct to reduce Fluorine & SPM from stack of SSP Plant.
- Lab scale trials for two new products viz., Potassium Nitrate & water soluble NPK 19:19:19 completed.

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

- Collection of data for process scale up and validation of technical & economical feasibility.
- Achieved Fluorine reduction by 85 % in liquid effluent.
- Achieved 20 % reduction in Fluorine reduction & SPM reduction.

3. Future plan of action

- Installation of manufacturing plant of sulphate of potash from sea bittern.
- Continued R&D efforts to attain objectives of cost reduction, energy conservation, waste minimization / recycling & reuse, related value added products, reduction in carbon footprints and environmental improvement.

4. Expenditure on R & D

	2010-2011 ₹ Crores	2009-2010 ₹ Crores
(a) Capital	2.60	5.69
(b) Recurring	3.92	2.74
(c) Total	6.52	7.43
(d) Total R & D expenditure as a percentage of Total Turnover	0.29%	0.17%

Technology Absorption, Adaptation & Innovation

1. Efforts made towards technology absorption, adaptation & innovation
2. Benefits derived as a result of the above efforts
3. Imported technology
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed?
 - (d) If not fully absorbed, reasons & future course of action

	3	2
	>2.4	NA
Evatherm Salt Technology		NA
2010-11		NA
Yes		NA
NA		NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year 2010-11 ₹ Crores	Previous year 2009-10 ₹ Crores
1. Foreign exchange earned		
(a) Export of goods on FOB basis	41.73	89.63
(b) Interest Income from subsidiary	0.47	1.14
(c) Dividend	10.98	24.04
2. Outgo of foreign exchange Value of imports (CIF)		
(a) Raw materials and fuels	2529.61	1712.17
(b) Stores, components and spares	9.31	9.11
(c) Capital goods	40.11	35.58
3. Expenditure in foreign currencies	146.80	150.18
4. Remittance of dividends	29.85	21.80

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL BUSINESS ENVIRONMENT

In the Financial Year (FY) 2010-11, the global economy continued on its path of recovery from the recession of 2008. However, this recovery has taken a two track approach with developed economies grappling longer with the wounds of the financial crisis while developing countries have recovered much faster. During the year, commodity prices have spiraled upwards to pre crises levels reflecting a combination of strong demand growth, supply shocks and excess liquidity being pumped by developed economies like US. Oil prices have also risen considerably. Metal and food prices are also following a similar trend.

After a sharp decline in 2009, the US economy has grown by 2.8% in 2010. Unemployment continues to remain a concern in the market. The EU economy has also registered a growth of 1.8% in 2010. However, concerns remains over the sovereign risk of some EU economies which continue to remain under the pressure of heavy debt. According to IMF estimates, the world economy grew by 5% during 2010 and fears of a double dip recession are not playing out.

Developing economies, particularly India and China showed considerable strength in resurfacing from the global slump. In FY 2010-11, India is expected to grow at 8.6% as per the latest estimates. Inflation of commodity and food prices has been a key concern. The Reserve Bank of India (RBI) has increased repo rate and reverse repo rates multiple times during the year and are currently at 7.25% and 6.25% respectively.

Outlook for the Global Economy in FY 2011-12

The IMF believes that the world economy will grow by 4.5% during the year 2011. This would be largely on account of the growth of the developing economies which are expected to grow by 6.5% while the developed world will grow 2.5%. Earlier fears of a double-dip recession have not materialized. The worry that an initial recovery driven by the fiscal stimulus would eventually fizzle, has not occurred. The fiscal stimulus has turned to fiscal consolidation, but private demand has, for the most part, taken the baton.

By contrast the crisis left no lasting wounds in emerging market economies. Their initial fiscal and financial positions were typically stronger and the adverse effects of the crisis were more muted. High underlying growth and low interest rates are making fiscal adjustment much easier. Exports have largely recovered, and whatever shortfall in external demand they experienced has typically been made up through increases in domestic demand.

The outlook for economic growth in India is at 9% for FY 2011-12 as per the recent economic survey tabled in the Parliament. High crude prices, inflation and monsoon remain as the key risks.

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 fertilisers 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. TCL's nitrogenous fertiliser plant at Babrala is the country's most energy efficient fertiliser unit. Phosphatic fertilisers are manufactured at Haldia.

The industrial chemicals business continued to focus on building its global market share. Demand and prices have shown an upward trend in FY 2010-11 and the overall sentiment remains positive. Focus continues to remain on improving the efficiency of the global operations. Tata Chemicals Europe Limited (TCEL) (formerly known as Brunner Mond) completed the acquisition of British Salt for GBP 93 million (₹ 650 Crores) to secure brine resources. In view of the tepid long term potential, the decision was taken to mothball the STPP facility at Haldia.

Within the crop nutrition and agri-business, Babrala continues to hold the position of the most energy efficient Urea plant in the country. TCL has announced an investment of USD 290 Million (₹ 1293 Crores) to acquire a 25.1% stake

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as a strategic investor in the 1.3 MTPA stream 1 of a Greenfield port-based ammonia-urea fertiliser manufacturing complex in the Republic of Gabon. This plant is envisaged to be one of the lowest cost urea manufacturing facilities globally. Strategically located near Gabon's main seaport, it also enables efficient and cost effective material handling and proximity to target markets i.e. Africa, North America, Latin America and India. In due course of time, TCL also intends to invest in the second stream at Gabon with significantly higher stake than first stream.

This year also witnessed the implementation of Nutrient Based Subsidy (NBS) on fertilisers (except Urea). The Company ran trials of the India's first customized fertiliser unit at Babrala during the year. The unit will produce crop and soil specific fertilisers which will be sold under the brand of 'Tata Paras Farmoola'. During the year, Rallis India Limited (Rallis) completed the acquisition of Metahelix, an agricultural biotechnology company focusing on developing traits and technologies for crop protection. Metahelix has a strong R&D presence in seeds and will add to Rallis' product portfolio.

On the consumer products front, our branded salt portfolio continues to dominate the market share. Tata Salt and I-Shakti achieved a market share of 62%. The I-Shakti brand packaged salt which was launched in 2007-08 is now the second largest national packaged salt brand in the country.

'I-Shakti' brand was extended to branded pulses which were launched in Maharashtra, Tamil Nadu and Delhi. Sourcing of these pulses is being carried out through a unique model where in TCL organises finance as well as Package of Practice (POP) for the farmers and offers to buy back their produce in transparent manner. While the farmer gets the advantage of higher productivity and market access, TCL is able to reach the material to consumers cost effectively by reducing intermediaries. In due course of time this model will be extended to other select crops leveraging the relationship with farmers and consumers.

The Tata Swach water purifier has been received exceptionally well by the market and sales of the variants and bulbs have been extremely encouraging. The business is focusing on increasing capacity to meet growing demand.

INORGANIC CHEMICALS SEGMENT

TCL's Chemicals Business consists of both the Industrial Chemicals and Consumer Products businesses.

Industrial Chemicals

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

Soda Ash

TCL, with a capacity of over 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 to have a low energy intensity and low environmental footprint. TCL's natural soda ash (derived from trona) operations are located at Lake Magadi in Kenya and at the Green River Basin of Wyoming in the USA where the world's largest deposits of trona occur. Synthetic soda ash and sodium bicarbonate are manufactured at Northwich, UK and Mithapur, India. This process uses brine (salt water) and limestone as key raw materials.

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

In 2010, global soda ash demand grew back to near pre-crisis levels due to strong growth in the developing economies. The emerging economies, in particular those economies with large population such as Brazil, Russia, India and China, have been the primary growth driver for soda ash over the past decade. With rapidly increasing GDP and urbanization, these economies have experienced an increased per capita consumption of products using soda ash including flat glass (automobiles, housing), container glass (beverages), detergents, baked goods, clean water, and sodium based chemicals. Conversely, the demand will take longer to recover in the large developed economies, such as the EU and the USA, due to anemic GDP growth as well as the maturity of such products in these economies. Overall, though, world demand is forecasted to grow 4-5% through 2015.

Global soda ash production capacity increased approximately 3% to 63 million MT with the growth almost entirely occurring in China. Operating rates have recovered from 70% experienced during 2009, but are still well below the 85% realized before the financial crisis. However, the over-capacity is region specific. China and Europe have more capacity than demand while the producers in US, Kenya and India are operating at high rates. The natural soda ash producers are taking advantage of their low cost positions to maximize their exports while the Indian producers are enjoying high demand growth in their domestic market.

Global soda ash prices began to increase in 2010, and continued into 2011 reflecting both increased input costs across the world as well as tight soda ash supply in some regions. Energy prices in particular have dramatically increased from the low's of 2009, raising the costs of both natural and synthetic soda ash producers, and we expect that energy and other input costs are likely to continue increasing, more so for the synthetic producers due to their higher energy intensity relative to the natural soda ash producers. Consequently, soda ash prices will likely to increase in the short term in line with energy and other input costs even in the face of excess capacity as the marginal cost producers in China and Europe seek to pass on their cost increases.

With the Indian economy continuing to remain buoyant, Indian soda ash demand grew approximately 5% due to increased consumption of flat glass, container glass and detergents. Our domestic soda ash sales volumes increased by 6%, leading to an increase in market share. Increase in volumes helped us to partially mitigate the impact of the increase in input costs. TCL's strong relationship with customers and its relentless focus on increasing its already high service levels has provided TCL the opportunity to consolidate its market position in 2010. Additionally, the safeguard duties on Chinese imports were effective in reducing dumping activities. While prices remained under pressure, higher domestic sales volumes helped maintain profit levels. With the completion of the debottlenecking of the Mithapur plant, TCL is positioned to enjoy further demand growth.

New flat and container glass plants are expected to come on-line in India in the coming years along with expansion of existing operations. With the Indian economy expected to continue robust growth, the detergent and chemical sectors are also expected to maintain their growth trajectory. Consequently, soda ash demand in India is anticipated to grow 6% through 2015.

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 FY11, sales of bicarb from UK rose by 10%. 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 India, TCL produced and sold a record tonnage of sodium bicarbonate in FY11. Domestic sales were 7% higher during the year helping the Company achieve a market share of about 50% in the domestic market. Sodium bicarbonate demand continues to demonstrate healthy growth across all consuming sectors, particularly in food related applications. Over the past year, the market grew 15% as against 14% in the previous years, and such double digit growth rates are expected to sustain through the coming years. To meet this growing demand, TCL successfully commissioned its sodium bicarbonate expansion project in 2010 bringing total capacity in Mithapur to 100,000 MT per annum. Also in 2010, TCL launched its Sodakarb® branded bicarbonate, its food grade product in the Indian market. Over a period of time, as the domestic market matures and grows, TCL will introduce other brands in its portfolio in India.

Sodium Triphosphate (STPP)

STPP continued to be under severe cost pressure despite the provisional Anti Dumping Duty being levied on Chinese STPP imports. Considering the overall business dynamics, we have decided to mothball STPP plant at Haldia.

Cement

TCL's cement plant was setup 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. Masonry cement will enable TCL to convert its fly ash (generated in the power plant) into useful binding material. While the upward trend in raw material and energy prices is likely to impact margins, the business will continue to focus on catering to nearby markets for maximizing realisation.

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Salt

The average annual requirement of salt (Human consumption, Industrial use & Exports) in last five years was 167 LT and it is expected to grow by nearly 7% in FY 2011-12. The salt supplies are projected to meet the demand in next five years with adequate pipeline stocks. However, the industry is vulnerable to weather disruptions. The private sector plays a dominant role contributing over 88% of the salt production, while the public sector contributes about 2%, the cooperative sector contributes about 10%. Indian Domestic demand of Edible Salt is forecasted to grow by 1.34%. With mechanization & yield improvement measures in place, increase in yield (more than 50%) is expected in coming years.

Consumer products continued to grow in FY 2010-11 leveraging the brand equity and a strong distribution network. While continuing its leadership position in packaged salt market, Tata Salt has been awarded 'Hall of Fame' award by Economic Times Brand Equity, being amongst the most trusted brands for last 10 years. I-Shakti, which was rolled out nationally in 2007-08 has now become the second largest packaged salt brand after Tata Salt. Tata Salt Lite, which was introduced in December 2007, was rolled out on a pan India basis in 2008-09 and is the market leader in premium low-sodium salt segment. All the brands continued to grow and together achieved a market share of over 62% among the national salt brands.

To meet the growing demand for 'Tata Salt' brand, TCL has undertaken a project to expand its capacity of vacuum evaporated salt at Mithapur. Steps have also been taken to set up additional sourcing capabilities for solar refined salt to meet the growing demand for I-Shakti.

FERTILISER AND OTHER AGRI INPUTS

TCL is a prominent player in the domestic Agri inputs segment. The Company manufactures Urea (at Babrala) and Phosphatic Fertilisers (at Haldia) in India. Rallis, a subsidiary of TCL is a major player in the fast growing crop protection market in India. With Rallis' acquisition of Metahelix Life Sciences (a research led seeds company), the company has expanded its portfolio to seeds during FY10-11. TCL imports MOP, DAP, Specialty Fertilisers, Organic Materials and other crop inputs which are sold via TCL's widespread sales and distribution network. The Company also has a joint venture with IMACID, Morocco which produces Phosphoric Acid – a key raw material for phosphatic fertilisers such as DAP and NPK. In addition to our traditional sales channel, we also operate retail outlets under the brand of 'Tata Kisan Sansar'. Rallis has farmer connect programme known as 'Rallis Kisan Kutumb' through which large number of farmers are connected with the company for exploring various opportunities of mutual interest.

The global demand for food continues to rise on the back of increasing population and disposable incomes in developing economies. However, unfavorable weather conditions in certain parts of the world negatively impacted agricultural production in FY10-11. Not surprisingly, the 2010 harvest is forecast to contract, by 2 to 2.5%. These macro conditions coupled with liquidity pumped in by developed economies is leading to a price increase in food grains and other agri commodities. This in turn causes an increase in fertiliser demand and prices across the board. These conditions are expected to continue over the coming few years.

In India, the rising income levels particularly at rural households are leading to a rise in the demand for food grains. In order to ensure food security, the Government is taking various steps to promote balanced use of soil nutrients as well as expand the demand for fertilisers. In line with the same, the Government announced the introduction of the Nutrient Based Subsidy (NBS) in 2010 for the phosphatic and potassic fertilisers. This policy provides subsidy for basic nutrients (Nitrogen, Phosphorus, Potash and Sulphur) in a fertiliser, instead of the product based subsidy which was prevailing. With the introduction of NBS, companies are being allowed to increase prices without any formal approvals from the government. While there was price increase by sellers to the tune of 10-15%, consumption of phosphatic and potassic fertilisers grew by around 12% during FY10-11 as per latest estimates. Having established NBS in phosphatic and potassic fertilisers, the focus of the Government is on extending the same to Urea, which accounts for more than 50% of the fertiliser consumption. The industry has been strongly advocating for the same. As explained above, a moderate retail fertiliser price increase did not have any impact on the fertiliser demand, however we need to remain cautious of possible adverse impact of fertiliser consumption in case of sharp increases in retail prices. The Government as well as Industry will have to be watchful of the developments in the international markets for fertiliser and fertiliser inputs and take adequate steps to ensure that fertiliser consumption does not suffer and food grain production in the country is not adversely impacted due to volatility of international commodity prices.

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

Urea

With the likely inclusion of Urea into the NBS and decanalisation of imports for the same which the Industry has been strongly advocating, the opportunity to import and distribute Urea may present itself. TCL also expects that the government will allow fortification of urea with micro nutrients along with increasing the limit on selling neem coated urea from the present 35%. TCL is well poised to introduce fortified Urea as well as supply higher level of neem coated urea.

With uncertainty over the supply of gas for setting up additional urea capacity within the country, TCL is exploring such opportunities overseas. TCL has already acquired a 25.1 % stake in a JV which will set up a 1.3 Mn TPA Urea plant in Gabon with the option of setting up an additional stream in due course of time. The Babrala expansion project would be reviewed once the gas allocation for the same is in place.

DAP, NPK, SSP

The Department of Agriculture has cleared the policy for double fortification of complex fertilisers. TCL would be well placed to take advantage of such opportunities, backed by the unique R&D facility at Aligarh. TCL is also undertaking debottlenecking of our SSP capacity at Haldia and would be looking at opportunities to add to our DAP/NPK capacity based on cost effective availability of factors of production.

Rallis

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

Globally the crop protection industry reported a steady growth of 1.1%, reaching market size of USD 44 billion. NAFTA, Middle East, Asia and Latin America region has shown growth, while the market dropped in Europe. India, Russia and China emerged as the fastest growing countries. The Indian Crop Protection industry is estimated to have grown by about 12-15% during the year. There was an increase in area under cultivation for Bt cotton, sugarcane, pulses and chillies due to good produce prices.

Rallis will continue to strengthen its market position in India through intensified brand building, farmer relationships, alliances and new product introductions while simultaneously exploring opportunities in international markets.

Specialty Nutrients

Depletion of micronutrients in the soil is leading to increased consumption of specialty fertilisers. TCL is well poised to exploit this opportunity and will continue to focus on growing markets for such fertilisers simultaneously building relationship for creating low cost supply chain for the same.

Customised Fertilisers

Customized fertilisers are soil, crop and geography specific formulations that allow most effective use of nutrients. TCL is the pioneer in introducing customized fertiliser in the country.

TCL has so far got 4 grades registered/approved for specific applications. The same will be introduced in the market in due course of time post commissioning of its customised fertiliser plant at Babrala.

Trading

With the increase in domestic fertiliser demand and limited factors of production in India, consumption of fertilisers based on imports will continue to increase. While TCL will continue to import and distribute fertiliser on ongoing basis, TCL will explore long term tie ups for distribution to increase its share.

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Tata Kisan Sansar and Rallis Kisan Kutumb

Both Tata Kisan Sansar and Rallis Kisan Kutumb will continue to focus on relationship building with farmers where in quality agri inputs and services will be offered to the farmers and select output will be sourced from them for distributing through our consumer distribution network.

OTHERS:

Biofuels

With the crude oil prices ruling ~ US\$ 120 per barrel, Biofuels are expected to be cost effective and growing by 18-20% during 2011. TCL, through its subsidiary is investing in setting up a trial bio ethanol plant in Mozambique backed by sugarcane cultivation at the land acquired for this purpose. TCL is also investing in setting up R&D facilities for second generation biofuels in Nanded in collaboration with government agencies.

Water Purifier

The Indian household water purifier market has three product segments – Non electric Storage water purifier, Ultra violet (UV) and Reverse osmosis (RO). The market has witnessed tremendous growth over the last few years, especially among the non-electric storage water purifier segment. The last year has seen the entry of a large number of industry players into the storage water purifier category with a flurry of new launches.

Water purifier is an under-penetrated category in India with approximately 2% of rural and approximately 10% of urban households as users. This points to a large untapped market potential and would ensure that high growth rates can be sustained over a longer period of time. This is attracting newer players leading to category expansion and higher penetration level across price points. TCL will continue to focus on offering low cost purification solutions to the masses.

Tata Swachh water purifier, which was unveiled in December 2009 is now available in 12 states across the country. The product has been well received and attained leadership position in most of the markets where it is present. The business is increasing production capacity to meet growing demand in existing and new markets.

Pulses

I-Shakti brand was extended to pulses sourced through network built by utilizing competencies of TCL's fertiliser and agri inputs business. As of now I-Shakti brand of pulses are available in Maharashtra, Tamil Nadu and Delhi. TCL intend rolling out the same to other states during the current year.

ANALYSIS OF FINANCIAL PERFORMANCE

Financial Analysis of Tata Chemicals Limited (Standalone entity in India) – Year Ended 31st March, 2011

1. Net Sales/Income from Operations:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Sale of products	6,352	5,512	840	15
Other Operating Income	107	64	43	67
Less: Excise Duty	127	100	27	27
Net Sales/Income from Operations	6,332	5,476	856	16

Net sales increased by 16% during FY 11 over FY 10 mainly due to substantial increase in volumes of trading business viz., imported DAP / MOP and consumer products and higher realisation in inorganic chemicals.

2. Other Income:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Other Income	108	193	(85)	(44)

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

3. Raw Material consumed:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Raw Material Consumed	2,199	2,081	118	6

Raw material consumption showed increase of 6% during FY 11 over FY 10 mainly due to higher prices of Phosphoric Acid, Ammonia and Sulphur. In addition, there is higher consumption of limestone and coke during FY 11.

4. Cost of Traded Goods purchased:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Cost of traded goods purchased	1309	703	606	86

The cost of traded goods purchased has increased by 86% mainly on account of substantially higher volumes traded products in fertiliser business (mainly DAP and MOP).

5. Power and Fuel:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Power and Fuel	570	430	140	33

The increase in power and fuel cost during FY 11 over FY 10 is mainly on account of significant increase in prices and volumes of coal and APM Gas.

6. Freight and forwarding charges:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Freight and forwarding charges	436	369	67	18

The increase in freight and forwarding charges during the FY 11 over FY 10 is due to increase in sales volumes.

7. Other Expenses:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Other expenses	216	169	47	28

Other expenses have gone up mainly due to increase in hedging cost and professional fees during the year FY 11 compared to FY 10.

8. Investments:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Trade Investments	422	331	91	27
Investment in Subsidiary Companies	4,304	4,314	(10)	-
Investment in Joint Ventures	176	176	-	-
Current Investments	-	85	(85)	-
Total Investment	4,902	4,906	(4)	-

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Tata Chemicals Limited

Increase in Trade investments is due to subscription of rights shares in Tata Industries Ltd during FY 11. Current investments are nil during FY 11 on account of sale of Mutual Fund investments.

9. Inventories:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Inventories	696	611	85	14

The inventories as on 31st March, 2011 was higher than the level of 31st March, 2010 by ₹ 85 crore primarily due to increase in the stock of raw materials at Haldia works and also increase in work-in-process.

10. Sundry Debtors:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Gross Debtors	752	602	150	25
Less : Provision for doubtful debts	20	20	-	-
Net Debtors	732	582	150	25

The debtors as on 31st March, 2011 was higher by ₹150 crores than level of 31st March, 2010. The increase is in line with the increase in turnover.

11. Loans and Advances:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Loans and Advances	439	283	156	55

The loans and advances increased by ₹156 crores during FY 11 mainly due to increase in advance taxes, and insurance claims receivables.

12. Cash Flow and Net Debt:

Net Cash flow from operating activities: The net cash from operating activities is ₹ 428 crores during FY 11 as compared to ₹ 843 crores during FY 10. The cash operating profit before working capital changes and direct taxes during FY 11 was ₹ 896 crores as compared to ₹ 954 crores during FY 10. The change in working capital, during the financial year, was mainly due to increase in inventory, debtors and loans & advances.

Net Cash flow from investing activities: The net cash outflow from investing activities amounted to ₹ 248 crores in FY 11 as against an outflow of ₹ 48 crores in FY 10. The outflow broadly represents capex of ₹ 323 crores and investment in subsidiaries of ₹ 170 crores partly offset by inflow of ₹ 172 crores on account of sale of investments.

Net Cash flow from financing activities: The net cash outflow from financing activities was ₹ 93 crores during FY 11 as compared to outflow of ₹ 706 crores during FY 10. There is a inflow of ₹ 363 crores which is mainly on account of issue of shares to Tata Sons Ltd.

Net Debt:

(₹ in crores)

	FY 11	FY 10	Change	% Change
Secured Loans	253	249	4	2
Unsecured Loans	2,723	2,697	26	1
Total Debt	2,976	2,946	30	1
Less : Cash and Bank balances	799	713	86	12
Less : Current investments	-	85	(85)	-
Net Debt	2,177	2,148	29	1

Net debt as on 31st March, 2011 is ₹2177 crores as compared to ₹2148 crores as on 31st March, 2010. During the current fiscal year, the total debt increased by ₹30 crores as compared to the balances as on 31st March, 2010 mainly due to availment of buyers' credit partly offset by repayment of Senior Notes.

Financial Analysis of Tata Chemicals Group (Consolidated) – Year Ended March 31, 2011

Profit & Loss Analysis

1. Net Sales/Income from Operations:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	6,332	5,476	856	16
Tata Chemicals Europe and Tata Chemicals Africa (Erstwhile Brunner Mond Group Limited)	1,682	1,834	(152)	(8)
Tata Chemicals North America Inc. USA	1,818	1,759	59	3
Indo Maroc Phosphore S.A., Morocco	442	370	72	20
Rallis India Limited	1,092	341	751	220
Others & Eliminations	(306)	(236)	(70)	30
Total	11,060	9,544	1,516	16

Comments:

Sales (net of duties) increased by 16% during FY 11 primarily due to:

- Inorganic Chemicals: higher volumes across the continents (due to global economic recovery) and higher realisation (India & Africa) offset by lower realisation (Europe and US) and appreciating INR (average rate) compared to GBP & USD as compared to the previous year. British Salt Limited, which became the subsidiary during the Q-IV, 10-11, contributed ₹ 78 crores towards increase in net sales.
- Fertilisers: higher realisation (at Haldia due to change in subsidy regime & at IMACID) partly offset by lower volumes (Urea, NPK and Phos acid). Also during FY 11, there is a substantial increase in trading volumes viz. imported DAP and MOP compared to previous year.
- Rallis India Limited, which became a subsidiary of the company in November, 2009, has contributed ₹751 crores towards increase in net sales during the current year.

Tata Chemicals Limited
2. Raw Material consumed:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	2,199	2,081	118	6
Tata Chemicals Europe and Tata Chemicals Africa (Erstwhile Brunner Mond Group Limited)	217	239	(22)	(9)
Indo Maroc Phosphore S.A., Morocco	305	208	97	47
Rallis India Limited	544	150	394	262
Others & Eliminations	(215)	(143)	(72)	50
Total	3,050	2,535	515	20

Comments:

Raw material consumed increased by 20% as compared to the previous year due to:

- Inorganic Chemicals: increase in prices of Raw materials across continents (mainly limestone, anthracite coal, coke) and poor plant efficiencies (Europe, Africa and India) marginally offset by lower production volumes (mainly in Europe) and appreciating INR (average rate) compared to GBP & USD.
- Fertilisers: increase in the prices of raw materials (mainly phosphoric acid, sulphur, natural gas) partly offset by reduced production volumes in case of urea and complex fertilisers.
- Rallis India Limited, which became a subsidiary of the Company in November 2009, has contributed ₹ 394 crores towards increase in raw material consumption during the current year.

3. Cost of Traded Goods purchased:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	1,309	703	606	86
Rallis India Limited	90	16	74	472
Others & Eliminations	50	10	40	402
Total	1,449	729	720	99

Comments:

The cost of traded goods purchased has increased by 99% mainly on account of substantially higher volumes traded products in fertiliser business (mainly DAP and MOP).

Rallis India Limited, which became a subsidiary of the Company in November 2009, has contributed ₹ 74 crores towards increase in cost of traded goods purchased during the current year.

4. Payments to and provisions for employees:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	207	205	2	1
Tata Chemicals Europe and Tata Chemicals Africa (Erstwhile Brunner Mond Group Limited)	210	237	(27)	(12)
Tata Chemicals North America Inc. USA	314	266	48	18
Rallis India Limited	73	31	42	134
Others & Eliminations	16	7	9	138
Total	820	746	74	10

Comments:

The Staff costs increased by 10% mainly due to revised wages in India and US offset by appreciating INR (average rate) compared to GBP & USD and marginal reduction in manpower in Europe. British Salt Limited, which became the subsidiary during Q-IV, FY 10-11, contributed ₹ 10 crores towards increase in staff costs.

Rallis India Limited, which became a subsidiary of the Company in November 2009, has contributed ₹ 42 crores towards increase in staff costs during the current year.

5. Power and Fuel:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	570	430	140	33
Tata Chemicals Europe and Tata Chemicals Africa (Erstwhile Brunner Mond Group Limited)	387	392	(5)	(1)
Tata Chemicals North America Inc. USA	181	200	(19)	(10)
Rallis India Limited	31	9	22	257
Others & Eliminations	9	10	(1)	(13)
Total	1,178	1,041	137	13

Comments:

Power and Fuel charges have increased by 13% compared to the previous year due to:

- Inorganic Chemicals: increase in input costs mixed with poor plant efficiencies (mainly India, Europe and Africa) offset by lower input cost (US) and appreciating INR (average rate) compared to GBP & USD. British Salt Limited, which became the subsidiary during QIV, FY 10-11, contributed ₹ 15 crores towards increase in power costs. (key materials used – Coal, Coke, HFO, NG).
- Fertilisers: higher input costs (NG) partly offset by reduction due to change in mix i.e. increase in usage of natural gas compared to RLNG and naphtha & decrease in production volumes.
- Rallis India Limited, which became a subsidiary of the Company in November 2009, has contributed ₹ 22 crores towards increase in fuel costs during the current year.

6. Other Manufacturing Expenses:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	1154	1159	(5)	(0)
Tata Chemicals Europe and Tata Chemicals Africa (Erstwhile Brunner Mond Group Limited)	542	557	(15)	(3)
Tata Chemicals North America Inc. USA	786	782	4	0
Indo Maroc Phosphore S.A., Morocco	63	88	(25)	(28)
Rallis India Limited	152	73	79	109
Others & Eliminations	3	(6)	9	(179)
Total	2700	2653	47	2

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Other Manufacturing expenses represent the following:

(₹ in crores)

Particulars	FY 11	FY 10	Change	% Change
Stores and spare parts consumed	157	180	(23)	(13)
Packing materials consumed	263	210	53	25
Repairs	253	233	20	9
Rent	116	119	(3)	(2)
Rates and Taxes	122	104	18	18
Commission, discounts and distributors' service charges	112	92	20	22
Sales promotion expenses	116	76	40	53
Freight and forwarding charges	1140	1015	125	12
Change in inventory of work-in-process and finished goods	(47)	251	(298)	(119)
Others(*)	468	373	95	25
Total	2,700	2,653	47	2

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

The other manufacturing expenses during the FY 11 have increased by 2% compared to FY 10 due to:

- higher packing expenses due to higher volumes, sales promotion expenses (launch of new products), rates and taxes (on account of higher volumes), distributors commissions (due to higher customer discounts in case of Agri business), freight and forwarding expenses (due to higher volumes), hedging cost and professional fees offset by reduction in stores and spares consumed (due to lower expense in Africa) rent, other administrative expenses and appreciating INR (average rate) compared to GBP & USD.
- Movement in Inventory change (WIP and finished goods) in the current year was primarily on account of reduced stock levels (in case of Indian operations and overseas subsidiaries) in the PY and stock build up in the current year (mainly in India, Europe and US).

Rallis India Limited, which became a subsidiary of the Company in November 2009, has contributed ₹ 79 crores to increase in other operating expenditure during the current year.

7. Borrowing Costs:

(₹ in crores)

Entity	FY 11	FY 10	Change	% Change
Tata Chemicals Limited	201	206	(5)	(2)
Tata Chemicals Europe and Tata Chemicals Africa (Erstwhile Brunner Mond Group Limited)	87	104	(17)	(17)
Tata Chemicals North America Inc. USA	70	96	(26)	(27)
Indo Maroc Phosphore S.A., Morocco	2	1	1	68
Rallis India Limited	7	3	4	165
Others & Eliminations	(16)	(17)	1	1
Total	351	393	(42)	(11)

Comments: The reduction in borrowing costs is mainly due to:

- part repayment of term loan (pertaining to Tata Chemicals North America Inc. USA);
- replacement of high cost USPP debt with Bank of America loan;
- appreciation of INR (average rate) compared to GBP & USD;
- partly offset by interest on borrowings on account of British salt acquisition in the last quarter.

8. Exceptional Items:

- VRS at Mithapur – ₹ 27 crores (302 temporary workmen opt for VRS).
- During the year the production at the Company's Fertiliser Plant at Babrala was temporarily disrupted upto August 31, 2010 due to fault in Synthesis Converter in the ammonia plant. For the year, TCL accounted for LOP ₹ 36.09 crores. And ₹ 10.5 crores towards material damage. The final claim as indicated by the surveyor could be around ₹ 60 crores. In April 2011, TCL received 'On Account' payment of ₹ 20 crores.
- STPP Mothball at Haldia – ₹ 10 crores.
- Recognition of Actuarial Gains / losses in Reserves w.e.f. April 01, 2009. 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 would have been higher/(lower) by amounts as per table below:

(₹ in crores)

Sr. No.	Impact on :	Year ended 31st March, 2011	Year ended 31st March, 2010
1.	Consolidated Net profit before tax	22.33	(252.37)
2.	Consolidated Net profit after tax & minority interest.	3.03	(161.35)

INNOVATION AND TECHNOLOGY

Tata Chemicals Innovation Centre

The Tata Chemicals Innovation Centre (TC-IC) is located in Pune and has in its fold, 40 scientists with an exciting spectrum of expertise including nanotechnology and materials science, biotechnology, inorganic chemistry and molecular biology along with catalysis and bioengineering. To support the R&D activities and ensure adequate traction with customers and the market, the Innovation Centre has dedicated Business Development and Intellectual Property Rights teams. Some of the projects on which TC-IC is currently working include water purification, nutraceuticals, nano materials, agri solutions, surface coatings and alternate energy/next generation biofuels.

As part of focus on Innovation in Tata Chemicals, a world class research center with pilot plant facilities for scale-up has been designed and construction has begun in Pirangut, Pune. This will enable expansion of the Innovation Centre to bring in additional critical expertise in applications development, process engineering etc.

Tata Chemicals Centre for Agri-Solutions and Technology

In order to provide appropriate advice to farmers on farming practices in general and crop nutrition practices and solutions in particular, a development centre viz. Centre for Agri Solutions & Technology (CAT) has been set up in Aligarh (U.P.). This Centre is staffed with experienced scientists who are working in various areas. During FY 2010-11, CAT, Aligarh was recognized as a DSIR approved laboratory and is involved in research and developmental work related to crop nutritional aspects. The CAT team has developed customized fertiliser (CF) basal grades for wheat, rice, maize, potato and sugarcane for operational regions around Babrala and sweet sorghum for growing regions in Maharashtra state. Crop specific CF (foliar) grades were developed on R&D based field trials and were quite effective on cost-benefit basis. The work on customised fertilisers has resulted in the erection of a steam granulation plant in Babrala. Geo-referenced soil samples from 21 districts around Babrala are being tested at the Plant Nutrition Lab of CAT for chemical characteristics, for delineating soil fertility zones in the operational territory around Babrala region. CAT works closely with the R&D team in Pune in evaluating exciting opportunities in the application of nanotechnology and biotechnology to plant nutrition. This collaboration is supported by grants from the Department of Biotechnology.

Tata Chemicals Limited**HUMAN RESOURCES**

As on March 31, 2011 TCL had 4,645 employees, 3,166 in India and 1,479 overseas. The long term strategic plan for HR is aligned to the Business Strategy. In line with the strategy, the Company has made some changes in the organization structure and will be further rolling out appropriate changes in the coming years to address emerging challenges. TCL has already commenced the processes of standardizing HR systems and processes across geographies as a part of integration process with a view to improve operational efficiencies. At TCL, the focus of learning and development is to build functional capabilities of employees so that they are fully equipped to meet the expectations of different stakeholders of the Company. A slew of leadership development initiatives are being rolled out for our executives as a part of the capability program.

SUSTAINABILITY**Safety, Health and Environment (SHE)**

Improving work place safety continued to be top priority in all operations and the total recordable injury frequency rates are maintained and match world class levels. The year had no fatal incident and the focus on eliminating hazards at all sites continues. 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. Tata Chemicals have become member of AIChE-Center for Chemical Process Safety (CCPS).

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 Process Safety Management practices based on OSHA-USA and AIChE-CCPS guidelines are being introduced with third party expert audits done at high risk chemicals handling systems at all sites.

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

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

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 and was the theme of the annual employee engagement event called Oorja.

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 and Mithapur got the recommendation. Tata Chemicals Sustainability Report for the India operations assured to GRI G3 Protocol is posted on the website. Tata Chemicals conducted the stakeholder engagement process for developing sustainability strategy with facilitation by SustainAbility, UK.

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 and accruing benefits through sale of carbon credits. TCL is also evaluating the possibility of availing carbon credits for specialty fertilisers, 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. Tata Chemicals Europe Limited 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.

TCL has been included in the prestigious Standard and Poor's Environment, Social and Corporate Governing 50 India Index. The S & P ESG India Index provides investors with an exposure to a liquid and tradable index of 50 of the best performing stocks in the Indian Market as measured by environmental, social and governance parameters. Tata Chemicals is ranked 4th in the list of top ten Corporate recognized on Carbon Disclosure Leadership Index (CDLI) in India, in the Carbon Disclosure Project 2010 India 200 Report.

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 (TCSRDR), 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 it serves is given prime importance.

The social arm of the company, TCSRDR continues to add value in the lives of the people, whom it is serving through its community development initiatives. TCSRDR helps the community to augment their natural resources through natural resource management initiatives, which encompasses water conservation and water management program, land and agriculture development program, animal husbandry and pond management program. A multifold approach has been taken to address the problem of unavailability of sufficient water for drinking as well as irrigation. Drinking water taps connections along with 1674 Rain Roof Water Harvesting Structures (RRWHS) of 7000-10,000 litres water capacity have been installed in 8 villages. In all TCSRDR has treated 9000 hectares of land through its water conservation and management program in 12 villages at Mithapur, TCSRDR. Sanitation and personnel hygiene was also given importance this year. 921 individual sanitation blocks in all were constructed in selected villages of Mithapur and Babrala. 441.5 acres of land has been reclaimed in the span of one year under the land and agriculture development program. Animal husbandry at Babrala and pond management program at Haldia remains the important program to enhance the family income of the villagers. So far, 115 ponds have been prepared for fisheries.

TCSRDR under its livelihood development programs has been forming self help groups and promoting self employment through the Rural Entrepreneurship Development Program (REDP). These programs including vocational training program has helped the villagers to become self-reliant. 521 people have been trained under the REDP program and 682 have been trained across five trades under the vocational training program during the year. Till date, 375 SHGs have been formed both in Mithapur and Babrala.

"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 216 educated rural youth in all. "Okhai" a well-known brand for handicrafts and garments made by communities around Mithapur and Babrala has more than 450 women associated with it. Going forward, Okhai will integrate all such initiatives that are linked to promotion of rural and local handicraft under it with an aim to empower the artisans associated with it.

On the conservation front, the Company continues to support the "Dharti Ko Arpan" programs. These include efforts to save the Asiatic Lion by constructing parapet wall around 1002 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) under Mangroves for future (MFF) initiative. Till now, mangrove plantation work on 40 acres of tidal

Tata Chemicals Limited

mudflats at the Rukshmani creek site near Dwarka has been completed and around 50,000 seedlings of '*Avicennia marina*' mangrove have been planted. "**Grow Trees**", a Mumbai based organization has shown interest in supporting the mangrove plantation program. TCL has also promoted eco-clubs in the rural schools and 29 such clubs promoting understanding and awareness about environment and ecology have been formed both in Mithapur and Haldia. Organising an Eco fair was one of the important activities under the eco club this year. TCL has continued to provide support to "Save the Whale Shark Campaign" to ensure the long term survival of the largest fish in the world which is in the critically endangered list. This year, TCL took the scientific study on the whale shark further; the whale shark was tagged using the satellite transmitters to track the migratory pattern. TCL also continued with its work on conservation of coral reef. Electronic submarine data logger has been deployed to monitor the water parameters. Both these programs are being done in collaboration with Wildlife Trust of India. Work on conservation of local flora biodiversity continues. 30 acres exclusive plantation of Gugal (an endangered species) has been done so far.

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, 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.

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 Management graduates. Reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. The internal audit department which operates on a 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. A peer review of the Internal Audit function is done once in four years to assess quality effectiveness of internal audits with reference to standards and best practices. In keeping with this, a peer review was done in the first quarter of 2011 by a leading firm and the conclusions /recommendations shared with the Audit Committee. While the overall ratings were excellent, the Company will work towards further raising the bar.

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 (CSA) (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 periods of accelerated growth and recessionary pressures.

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. Financial Risks: TCLs breadth in international operations, our foreign currency borrowings and our dependency on imports for the phosphatic fertilisers, 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.
2. Government Subsidy on sale of fertilisers: Effective April 1, 2010, the Government has introduced a Nutrient Based Subsidy for Phosphatic & Potash based fertilisers. This change could result in margin pressures over the short/medium term. Uncertainty regarding the timing of receipts of government subsidy in our fertiliser 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.
3. Input costs and securitization of raw materials: The prices of raw materials for phosphatic fertilisers are subject to economic conditions and global demand-supply balances. With the change in policy to Nutrient Based Subsidy, it'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. Recent acquisition of British Salt by Tata Chemicals Europe was a key step in securitizing brine supply for future.
4. 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. TCLs performance – appraisal systems are well integrated to our business objectives and help bring out the best in individuals. Investments in employees through training are constantly made to ensure TCL equips its employees for challenges in their roles.
5. 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 its operations and have established comprehensive indicators to track performance in these areas. TCL values the safety of its employees and constantly raises the bar in ensuring a safe work place.

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.

Tata Chemicals Limited

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Introduction

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

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

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

2. Board of Directors

Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Ordinary Shares are listed. The composition of the Board as on March 31, 2011 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Promoter, Non-executive (Including Chairman)	2	18%
Executive (including Managing Director)	2	18%
Independent, Non-Executive	6	55%
Non-Independent, Non-Executive	1	9%

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 7 (seven) times on the following dates during the financial year 2010-2011.

- May 24, 2010
- July 30, 2010
- August 09, 2010
- October 05, 2010
- October 29, 2010
- December 13, 2010
- January 27, 2011

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 2010-11 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, 2011 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2010-11	Whether attended AGM held on August 09, 2010	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	7	Yes	4	5	—	3
Mr. Nusli N. Wadia	Independent, Non-Executive	1	No	4	3	—	—
Mr. Prasad R. Menon	Non-Independent, Non-Executive	6	Yes	3	6	—	1
Mr. Nasser Munjee	Independent, Non-Executive	6	Yes	1	13	3	5
Dr. Yoginder K. Alagh	Independent, Non-Executive	7	Yes	—	3	—	3
Dr. M.S. Ananth	Independent, Non-Executive	3	Yes	—	2	—	2
Mr. E.A. Kshirsagar	Independent, Non-Executive	7	Yes	—	6	5	3
Dr. Y.S.P. Thorat	Independent, Non-Executive	6	Yes	1	3	2	—
Mr. R. Mukundan	Managing Director	7	Yes	—	4	—	—
Mr. Kapil Mehan (ceased to be a Director w.e.f. August 31, 2010)	Executive Director	2	No	—	—	—	—
Mr. P. K. Ghose	Executive Director	7	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.

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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 along with the Notice of Annual General Meeting.

Shareholdings of Non-executive Directors as on March 31, 2011 are as under:

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

3. Audit Committee
Meetings held:

During the financial year 2010-11, 8 (eight) Audit Committee meetings were held on the following dates:

May 21, 2010	October 28, 2010
June 29, 2010	January 25, 2011
July 29, 2010	February 14, 2011
September 30, 2010	March 29, 2011

Composition and Attendance:

Name of Director	Composition as on March 31, 2011	No. of meetings Attended
Mr. Nasser Munjee	Chairman	8
Mr. R. Gopalakrishnan	Member	8
Dr. Yoginder K. Alagh	Member	7
Mr. E. A. Kshirsagar	Member	8

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

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

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 August 09, 2010.

4. Remuneration Committee

Meetings Held:

During the financial year 2010-11, 1 (one) Remuneration Committee meeting was held on May 24, 2010.

Composition and Attendance

Name of Director	Composition as on March 31, 2011	No. of meeting(s) attended
Mr. Nusli N. Wadia	Chairman	1
Mr. Ratan N. Tata	Member	1
Mr. R. Gopalakrishnan	Member	1
Mr. Nasser Munjee (Appointed as member w.e.f. July 30, 2010)	Member	-

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 2010-11.

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 2010-11.

(Rupees)

Director	Salary	Perquisites and Allowance #	Commission (for the financial year 2009-10) paid in 2010-11
Mr. R. Mukundan – Managing Director	48,00,000	79,91,110	1,50,00,000
Mr. P.K. Ghose – Executive Director	36,00,000	44,35,067	1,00,00,000
Mr. Kapil Mehan – Executive Director (resigned w.e.f. August 31, 2010)	15,00,000	1,28,35,110	1,00,00,000

Does not include contribution to Gratuity Fund except in case of Mr. Kapil Mehan which includes gratuity settlement of ₹ 84,80,769/- as he resigned from the services of the Company with effect from August 31, 2010, as separate figures are not available for the Managing Director /Executive Director.

Tata Chemicals Limited
Non-Executive Directors:

(Rupees)

Director	Sitting Fees	Commission (for the financial year 2009-10) paid in 2010-11
Mr. Ratan N. Tata	2,00,000	38,00,000
Mr. R. Gopalakrishnan	4,00,000	51,50,000
Mr. Nusli N. Wadia	80,000	7,50,000
Mr. Prasad R. Menon	1,80,000	27,00,000
Mr. Nasser Munjee	2,80,000	48,00,000
Dr. Yoginder K. Alagh	3,85,000	44,00,000
Dr. M. S. Ananth	60,000	5,50,000
Mr. Arun Nath Maira (ceased to be a Director w.e.f. July 22, 2009)	0	2,75,000
Mr. E.A. Kshirsagar	3,00,000	23,00,000
Dr. Y.S.P. Thorat	1,20,000	2,75,000

Commission payable to the Directors for the financial year 2010-11

Non Executive Directors	:	₹ 250 lacs
Mr. R. Mukundan	:	₹ 165 lacs
Mr. P.K. Ghose	:	₹ 110 lacs
Mr. Kapil Mehan (resigned w.e.f. August 31, 2010)	:	₹ 75 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 2010-11, 4 (four) meetings were held on May 21, 2010, July 29, 2010, October 28, 2010 and February 14, 2011.

Composition and Attendance

Name of Director	Composition as on March 31, 2011	No. of meetings attended
Dr. Yoginder K. Alagh	Chairman	4
Mr. R. Mukundan	Member	4

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, 2011 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2010	: 0
Received during the year	: 42
Resolved during the year	: 42
Pending as on March 31, 2011	: 0

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

Meetings Held:

During the financial year 2010-11, 5 (five) Executive Committee of the Board meetings were held on the following dates:

July 08, 2010	November 24, 2010	March 16, 2011
September 14, 2010	January 13, 2011	

Composition and Attendance:

Name of Director	Composition as on March 31, 2011	No of meetings attended
Mr. Ratan N. Tata	Chairman	5
Mr. R. Gopalakrishnan	Member	4
Mr. Nusli N. Wadia	Member	2
Mr. Prasad R. Menon	Member	3
Dr. Yoginder K. Alagh (Appointed as member w.e.f. 30 th July, 2010)	Member	4
Mr. R. Mukundan	Member	5
Mr. P.K.Ghose	Member	4

Mr. Kapil Mehan, Executive Director, who resigned with effect from August 31, 2010 was a member of the Executive Committee of the Board and he had attended 1 meeting during the year.

Terms of Reference:

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

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

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

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7. Nomination Committee

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

Composition and Attendance:

Name of Director	Composition as on March 31, 2011
Dr. Yoginder K. Alagh	Chairman
Mr. Ratan N. Tata	Member
Mr. R. Gopalakrishnan	Member

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 2010-11, 1 (one) Ethics and Compliance Committee meeting was held on October 28, 2010.

Composition and Attendance

Name of Director	Composition as on March 31, 2011	No of meeting(s) 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
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.
2009-10	Birla Matushri Sabhagar, 19,Vithaldas Thackersey Marg, Mumbai 400 020	August 09, 2010	Monday	3.00 p.m.

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

1. 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.
2. At the AGM held on July 30, 2009 – Approving the amendment to Common Seal provision in the Articles of Association of the Company.
3. A Special Resolution pursuant to Section 81(1A) of the Companies Act, 1956 was passed through Postal Ballot for issue and allotment of 1,15,00,000 Equity Shares of ₹ 10/- each for cash on Preferential allotment basis to the Promoter of the Company, i.e., Tata Sons Limited. Mr. V. Sundaram & Co, Company Secretaries, was appointed as the Scrutinisers for conducting the postal ballot. Calendar of events mentioning therein the receipt of consent from the Scrutiniser, date of appointment of Scrutiniser, date of completion of dispatch of Notice, last date of receipt of Postal Ballot forms, last date of submission of report by Scrutiniser, date of declaration of results etc. were filed with the Registrar of Companies. The resolution was passed with a majority of 99.88% favouring the resolution and 0.12% against the resolution.

10. Disclosures

Related Party Transactions

During the financial year 2010-11, 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, 2011.

Whistle Blower Policy

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

Non-Mandatory Requirements:

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

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

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

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11. Means of Communication:

- The quarterly results were published on the next day of the meeting for that quarter i.e. for quarter and year ended 31-03-2010 the results were published on May 25, 2010, for first quarter ended June 30, 2010 the results were published on July 31, 2010, for second quarter ended September 30, 2010 the results were published on October 30, 2010 and for the third quarter ended December 31, 2010 the results were published on January 28, 2011.

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 09, 2011 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 27, 2011 to August 9, 2011 (both days inclusive for the purpose of AGM and Dividend)
- Dividend payment date** : Between August 10, 2011 and August 13, 2011
- Listing on Stock Exchanges** : The Company's Ordinary Shares are listed on the following Stock Exchanges:

- (1) The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
- (2) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.

The Company has paid the Annual Listing fees for the financial year 2010-11.

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
Demat ISIN in NSDL and CDSL for Equity Shares	INE092A01019

Market Price Data:

	Bombay Stock Exchange (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
Apr-2010	356.00	301.00	356.50	317.25
May-2010	356.35	295.00	356.05	295.00
Jun-2010	339.00	306.00	339.40	304.50
Jul-2010	340.45	320.00	340.60	319.00
Aug-2010	412.00	338.55	412.25	338.20
Sep-2010	433.80	392.00	434.00	392.10
Oct-2010	446.30	386.00	446.50	386.00
Nov-2010	418.00	342.00	419.00	341.00
Dec-2010	399.65	330.10	399.85	330.10
Jan-2011	412.00	335.00	411.85	335.20
Feb-2011	355.40	302.00	356.70	302.30
Mar-2011	345.00	309.95	351.00	309.00

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



Tata Chemicals Limited
Registrar and Transfer Agents:-

Members are requested to correspond with the Company's Registrar & Transfer Agents-

TSR Darashaw Limited (formerly Tata Share Registry Limited) quoting their folio no. at the following addresses :-

(i) For transfer lodgement, delivery and correspondence:

TSR Darashaw Limited	Tel	: 022 - 6656 84 84
Unit: Tata Chemicals Limited	Fax	: 022-6656 84 94
6-10 Haji Moosa Patrawala Industrial Estate	E-mail	: csg-unit@tsrdarashaw.com
20 Dr. E Moses Road	Website	: www.tsrdarashaw.com
Mahalaxmi Mumbai – 400 011		

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

- | | |
|--|--|
| <p>1 TSR Darashaw Limited
503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road
Bangalore - 560 001
Tel : 080- 25320321
Fax : 080-25580019
E-mail : tsrdlbg@tsrdarashaw.com</p> | <p>2 TSR Darashaw Limited
Bungalow No.1, "E" Road
Northern Town, Bistupur
Jamshedpur – 831 001
Tel: 0657 – 2426616
Fax: 0657 – 2426937
Email : tsrdljsr@tsrdarashaw.com</p> |
| <p>3 TSR Darashaw Limited
Tata Centre,
1st Floor,
43, Jawaharlal Nehru Road,
Kolkata - 700 071
Tel : 033 – 22883087
Fax: 033 – 22883062
E-mail : tsrdlcal@tsrdarashaw.com</p> | <p>4 TSR Darashaw Limited
Plot No.2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel : 011 – 23271805
Fax : 011 – 23271802
E-mail : tsrdldel@tsrdarashaw.com</p> |
| <p>5 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
E-mail: shahconsultancy8154@gmail.com</p> | |

Share Transfer Process:

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

Distribution of Shareholding as on March 31, 2011

Sr.No.	Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1	1 to 500	20,990,535	209,905,350	8.24	186,295	89.61
2	501 to 1000	8,693,068	86,930,680	3.41	11,639	5.60
3	1001 to 2000	8,113,054	81,130,540	3.18	5,651	2.72
4	2001 to 3000	4,445,018	44,450,180	1.74	1,789	0.86
5	3001 to 4000	2,614,049	26,140,490	1.03	739	0.35
6	4001 to 5000	2,161,407	21,614,070	0.85	474	0.23
7	5001 to 10000	5,515,932	55,159,320	2.17	784	0.38
8	Above 10000	202,223,215	2,022,232,150	79.38	523	0.25
	TOTAL	254,756,278	2,547,562,780	100.00	207,894	100.00

Category of shareholding as on March 31, 2011

Category	No. of Shares	Percentage
Tata Companies & Trusts	79,559,355.00	31.23
Resident Individuals	54,219,973.00	21.28
Foreign Holdings	37,613,374.00	14.76
Public Financial Institutions	53,770,876.00	21.11
Government / Government Companies	76,048.00	0.03
Other Companies, Mutual Funds	29,124,227.00	11.44
Nationalised Banks	392,425.00	0.15
Total	254,756,278.00	100.00

Dematerialization of shares and liquidity:

Percentage of Shares held in

Physical form	: 4.01
Electronic form with NSDL	: 92.28
Electronic form with CDSL	: 3.71

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

Plant Locations:

Indian Locations:

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

Overseas Locations:

USA – Chemical Soda Ash	: Tata Chemicals North America Inc. Green River Basin, Wyoming
UK – Chemicals	: Tata Chemicals Europe Limited Northwich West (Winnington) and Northwich East (Lostock)
Kenya – Chemicals	: Tata Chemicals Magadi Limited Lake Magadi, Kenya
Subsidiaries :	: Homefield International Pvt. Ltd. IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius Homefield Pvt. UK Ltd. 18, Grosvenor Place, London, SW1X7HS Homefield 2 UK Limited. Mond House, Winnington, Northwich, Cheshire, CW84DT Tata Chemicals Europe Holdings Limited Mond House, Winnington, Northwich, Cheshire, CW84DT <ul style="list-style-type: none"> • Cheshire Salt Holdings Limited. • Cheshire Salt Limited. • British Salt Limited. • Brinefield Storage Limited. • Broomco (4118) Limited. • Broomco (4119) Limited. • Broomco (4120) Limited. • Cheshire Cavity Storage 2 Limited.

Tata Chemicals Limited

- Cheshire Compressor Limited.
- Irish Feeds Limited.
- New Cheshire Salt Works Limited.

Brunner Mond Group Limited

Mond House, Winnington, Northwich, Cheshire, CW84DT

- Brunner Mond (UK) Limited
(Name changed to Tata Chemicals Europe Limited w.e.f. 1st April, 2011)
- Brunner Mond Generation Company Limited
- Brunner Mond Limited
- Northwich Resource Management Limited
- Brunner Mond B.V.

Tata Chemicals Africa Holdings Limited

(Earlier Transcontinental Holdings Ltd.)

Mond House, Winnington, Northwich, Cheshire, CW84DT

- Brunner Mond (South Africa) (Pty) Limited
(Name changed to Tata Chemicals South Africa Pty Limited w.e.f. 1st April, 2011)
- The Magadi Soda Company Limited, Kenya
(Name changed to Tata Chemicals Magadi Limited w.e.f. 1st April, 2011)
- Magadi Railway Company Limited

Wyoming 1 (Mauritius) Pvt. Ltd.

IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius

Wyoming 2 (Mauritius) Pvt. Ltd.

IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius

Gusiute Holdings (UK) Ltd

Mond House, Winnington, Northwich, Cheshire, CW84DT

Valley Holdings Inc.

Corporation Trust Center,

1209 Orange Street, Wilmington, Delaware 19801,
New Castle.

General Chemical Industrial Products Inc. (Name changed to Tata Chemicals North America Inc. w.e.f. 1st April, 2011)

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).
(Name changed to Tata Chemicals (Soda Ash) partners w.e.f. 1st April, 2011)
- 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

Joint Ventures

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

Grown Energy (Proprietary) Limited
PO Box 781589, Sandton, 2146
14th Floor, The Forum Building
No. 2 Maude Street Sandton

Grown Energy Zambeze Limitada
Bairro Central, Rua de se 114, Pestana Rovuma Hotel
Centro de Escritorios, 3rd andar, Maputo,
Mozambique

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

Metahelix Life Sciences Limited. (Metahelix)
3, KIADB 4th Phase, Bommasandra
Bangalore - 560 099, INDIA

Dhaanya Seeds Ltd
3, KIADB 4th Phase, Bommasandra
Bangalore - 560 099, INDIA

: 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

The Block Salt Company Limited
c/o Harvey Softeners Limited
Hiplely Street
Old Woking
Woking
Surrey
GU22 9LQ
United Kingdom

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

Tata Chemicals Limited**DECLARATION**

I R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(l)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2011.

For Tata Chemicals Limited

Mumbai
Date: May 23, 2011.

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, 2011, as stipulated in Clause 49 of the Listing Agreements 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 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)

MUMBAI, 23rd May, 2011

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, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the 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;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

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

Nalin M. Shah
(Partner)
(Membership No. 15860)

Tata Chemicals Limited**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), (xii), (xiii), (xiv) and (xix) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements the particulars of which needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, there are no deposits from the public in terms of Sections 58A and 58AA or any relevant provision of the Companies Act, 1956.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) We have broadly reviewed the 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.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in crores)
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales Tax (Central and State) and Value Added Tax	High Court	1997-2001	7.48
		Tribunal	1991-92, 1994-97, 1999-2000 and 2001-03	9.69
		Appellate authority upto Commissioner's level	1995-99 and 2001-2008	5.91
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	1985-88, 1994-97	0.89
		Appellate authority upto Commissioner's level	1994-2000 and 2004-09	66.90
Income Tax Act, 1961	Income Tax	Appellate authority upto Commissioner's level	2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2007-08	125.58
Total				221.87

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) In our opinion 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.
- (xiii) 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.
- (xiv) 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.
- (xv) According to the information and explanations given to us, the Company has made preferential allotment of shares to one of the Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which is *prima facie* not prejudicial to the interests of the Company.
- (xvi) The Company has not raised any money by way of a public issue during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

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

Nalin M. Shah
(Partner)
(Membership No. 15860)

Tata Chemicals Limited
Balance Sheet as at 31st March, 2011

	Schedule	Page	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	76		254.82	243.32
(b) Reserves and Surplus	B	76		4,485.86	4,039.64
				4,740.68	4,282.96
2. LOAN FUNDS					
(a) Secured	C	77	252.73		249.24
(b) Unsecured	D	77	2,723.21		2,697.27
				2,975.94	2,946.51
3. DEFERRED TAX LIABILITY (net)				159.71	190.22
(Note 5, page 92)					
4. TOTAL				7,876.33	7,419.69
APPLICATION OF FUNDS					
5. FIXED ASSETS					
(a) Gross Block			3,946.56		3,803.50
(b) Less : Depreciation and Impairment			2,358.98		2,211.06
(c) Net Block	E	78	1,587.58		1,592.44
(d) Capital Work-in-Progress			340.05		237.65
				1,927.63	1,830.09
6. INVESTMENTS	F	79		4,901.69	4,905.59
7. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE				-	7.89
(Note 26, page 103)					
8. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	G	82	696.30		611.19
(b) Sundry Debtors	H	82	731.72		581.60
(c) Cash and Bank Balances	I	83	798.76		712.65
(d) Loans and Advances	J	83	439.10		282.50
			2,665.88		2,187.94
Less :					
9. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	84	1,217.71		1,158.63
(b) Provisions	L	84	401.16		353.19
			1,618.87		1,511.82
10. NET CURRENT ASSETS (8-9)				1,047.01	676.12
11. TOTAL				7,876.33	7,419.69
12. Notes on the Balance Sheet and Profit and Loss Account	M	85			

In terms of our report attached.

 For DELOITTE HASKINS & SELLS
Chartered Accountants

 Nalin M. Shah
Partner

Mumbai, 23rd May, 2011.

 Rajiv Chandan
Company Secretary & Head-Legal

For and on behalf of the Board

 Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder Alagh
Dr. Y. S. P. Thorat
Eknath A. Kshirsagar
R. Mukundan
P. K. Ghose

 Chairman
Vice-Chairman

Directors

 Managing Director
Executive Director & CFO

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Page	₹ in crores	₹ in crores	Previous Year ₹ in crores
INCOME					
1. Sales	1 (1)	72	6,352.14		5,512.73
Less : Excise Duty			126.87		100.28
Net Sales				6,225.27	5,412.45
2. Operating Income	1 (2)	72		107.16	63.95
3. Other Income	2	72		108.46	192.83
4. TOTAL INCOME				6,440.89	5,669.23
EXPENDITURE					
5. Manufacturing and Other Expenses	3	73	5,439.38		4,577.53
6. Voluntary Retirement Scheme cost			26.75		-
7. Borrowing Costs	4	74	201.49		205.73
8. Foreign exchange loss on borrowings (net) ...			0.03		108.28
9. Impairment of assets			10.08		2.37
			5,677.73		4,893.91
10. Depreciation and Amortisation			204.46		187.19
11. TOTAL EXPENDITURE				5,882.19	5,081.10
PROFIT BEFORE TAX				558.70	588.13
12. PROVISION FOR TAX					
(a) Current			188.80		181.35
(b) Deferred			(38.59)		(28.00)
				150.21	153.35
PROFIT AFTER TAX				408.49	434.78
13. BALANCE BROUGHT FORWARD				1,869.33	1,733.32
14. AMOUNT AVAILABLE FOR APPROPRIATIONS				2,277.82	2,168.10
15. APPROPRIATIONS :					
(a) Proposed Dividend				254.76	218.93
(b) Tax on Dividend				38.79	36.36
(c) General Reserve				40.85	43.48
(d) Balance carried to Balance Sheet				1,943.42	1,869.33
				2,277.82	2,168.10
16. EARNINGS PER SHARE (₹) (Note 3, page 88) (Face value per share - ₹ 10)					
(a) Basic				16.32	18.38
(b) Diluted				16.32	18.38
17. Notes on the Balance Sheet and Profit and Loss Account	M	85			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

Mumbai, 23rd May, 2011.

Rajiv Chandan
Company Secretary & Head-Legal

For and on behalf of the Board

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

Tata Chemicals Limited
Cash Flow Statement for the year ended 31st March, 2011

	₹ in crores 2010-11	₹ in crores 2009-10
A Cash Flow from Operating Activities		
Net Profit before Tax	558.70	588.13
Adjustments for :		
Unrealised Foreign Exchange Loss	10.15	127.03
Depreciation and amortisation	204.46	187.19
Impairment of assets	10.08	2.37
Borrowing Costs	201.49	205.73
Profit on sale of investments (net)	(16.99)	(94.51)
Interest income	(2.29)	(11.93)
Dividend income	(86.33)	(81.29)
Provision for doubtful debts and advances written back (net)	(0.15)	(1.32)
Provision for employee benefits	8.63	17.15
Provision for diminution in value of current investments	(0.25)	-
Loss on assets sold or discarded (net)	8.86	15.81
Operating Profit before Working Capital Changes	896.36	954.36
Adjustments for :		
Trade and other receivables	(225.30)	337.62
Inventories	(85.11)	350.16
Trade payables, other liabilities and provisions	86.79	(665.88)
Payment towards employee separation compensation	(0.56)	2.35
Cash Generated from Operations	672.18	978.61
Taxes paid	(244.40)	(135.54)
Net Cash generated from Operating Activities	427.78	843.07
B Cash Flow from Investing Activities		
Acquisition of fixed assets (including CWIP)	(323.32)	(183.33)
Proceeds on sale of fixed assets	2.38	0.07
Proceeds on sale of investments	10,693.67	11,324.34
Purchase of investments	(10,521.31)	(10,794.82)
Investment in subsidiaries	(170.27)	(486.76)
Investment in Joint Venture	(0.38)	-
Loan given to subsidiary	(16.48)	(1.07)
Interest received	1.19	11.93
Dividend received	86.33	81.29
Net Cash used in Investing Activities	(248.19)	(48.35)

Cash Flow Statement for the year ended 31st March, 2011 (Contd.)

	₹ in crores 2010-11	₹ in crores 2009-10
C Cash Flow from Financing Activities		
Repayment of borrowings	(75.15)	(798.55)
Proceeds of borrowings	72.94	524.29
Proceeds from Issue of Shares	363.40	-
Borrowing costs paid	(200.82)	(189.07)
Foreign exchange loss realised	-	3.72
Dividends paid including distribution tax	(253.85)	(246.81)
Net Cash generated from Financing Activities	(93.48)	(706.42)
Net Increase in Cash and Cash equivalents	86.11	88.30
Cash and Cash equivalents as at 1st April	712.65	638.75
(Opening Balance)		
Exchange difference on translation of foreign currency cash and cash equivalents	-	(14.40)
Cash and Cash equivalents as at 31st March as per Schedule I	798.76	712.65
(Closing Balance)		

Notes :

The following transaction do not involve a cash flow:

- (i) During the year 2009-10, the Company got notices for conversion of USD 42.756 million FCCBs into ordinary shares at a conversion price of ₹ 230.78 per ordinary share at a fixed exchange rate of ₹ 43.65 = USD1. Pursuant to this, the Company had issued 80,86,912 Ordinary share of Face Value ₹ 10 in the year 2009-10.
- (ii) Cash and Cash Equivalents include unclaimed dividend of ₹ 9.87 crores (previous year ₹ 9.32 crores).
- (iii) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

Mumbai, 23rd May, 2011.

Rajiv Chandan
Company Secretary & Head-Legal

For and on behalf of the Board

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

Tata Chemicals Limited
Schedules forming part of the Profit and Loss Account

	₹ in crores	Previous year ₹ in crores
Schedule 1 : Sales and Operating Income		
1. Sales and services: (Item No.1, page 69)		
(a) Sales	6,352.14	5,512.73
(Note 25, page 103)		
	6,352.14	5,512.73
2. Operating income: (Item No.2, page 69)		
(a) Town income	1.93	2.07
(Tax deducted at source ₹ 0.01 crore; previous year ₹ 0.01 crore)		
(b) Liabilities no longer required - written back	17.94	19.92
(c) Insurance claims	38.14	5.85
(d) Miscellaneous income	49.15	36.11
(Tax deducted at source ₹ 0.10 crore; previous year ₹ 0.06 crore)		
	107.16	63.95
	₹ in crores	Previous year ₹ in crores
Schedule 2 : Other Income (Item No.3, page 69)		
1. Income from Long Term Trade Investments (Gross):		
(a) Dividend income	52.73	61.40
(Tax deducted at source ₹ 1.10 crores; previous year ₹ 2.40 crores)		
(b) Profit on sale of investments (net)	16.75	87.71
	69.48	149.11
2. Income from Current Investments (Gross):		
(a) Dividend income	33.60	19.89
(b) Interest Income	-	10.27
(c) Profit on Sale of Investments (net)	0.24	6.80
(including profit of ₹ Nil (previous year profit of ₹ 6.37 crores) in respect of fertiliser bonds received in lieu of fertiliser subsidy)		
	33.84	36.96
3. Interest on Refund of Taxes	2.85	5.10
4. Interest received on: (Tax deducted at source ₹ 0.12 crore; previous year ₹ 0.04 crore)		
(a) Inter-corporate loans and bank deposits	1.67	1.14
(b) Other Advances	0.62	0.52
	2.29	1.66
	108.46	192.83

Schedules Forming Part of the Profit and Loss Account (Contd.)

Schedule 3 : Manufacturing and Other Expenses (Item No.5, page 69)	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Raw materials consumed:			
(a) Stock on 1st April, 2010	328.68		510.76
(b) Add : Purchases and cost of materials	2,281.91		1,899.06
	2,610.59		2,409.82
(c) Less : Stock on 31st March, 2011	411.72		328.68
		2,198.87	2,081.14
2. Cost of traded goods purchased		1,308.92	702.86
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	155.50		150.28
(b) Contribution to Provident and other Funds	15.68		14.36
(c) Contribution to group insurance scheme	0.03		0.03
(d) Workmen and staff welfare expenditure	36.17		39.86
		207.38	204.53
4. Operation and other expenses:			
(a) Stores and spare parts consumed	58.43		56.19
(b) Packing materials consumed	181.27		157.45
(c) Power and fuel	570.34		430.14
(d) Repairs - Buildings	3.53		3.73
- Machinery	41.95		33.38
- Others	1.37		2.38
(e) Rent	23.51		15.51
(f) Rates and taxes	9.98		8.06
(g) Excise duty adjustment for stocks (net)	2.60		0.56
(h) Commission, discount and distributors' service charges	89.62		84.04
(i) Sales promotion expenses	88.43		61.47
(j) Insurance charges	6.52		6.06
(k) Freight and forwarding charges	436.20		369.25
(l) Loss on assets sold or discarded (net)	8.86		15.81
(m) Provision for Doubtful debts and advances written back (net)	(0.15)		(1.32)
(n) Other expenses	215.84		168.90
		1,738.30	1,411.61
5. Directors' fees / commission		6.20	6.22
		5,459.67	4,406.36
6. Change in inventory of work-in-process and finished goods			
(a) Stock on 1st April, 2010	176.82		347.99
(b) Less : Stock on 31st March, 2011	186.89		176.82
		(10.07)	171.17
		5,449.60	4,577.53
Less : Expenditure transferred to capital account		10.22	-
		5,439.38	4,577.53

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

(Item No.7, page 69)

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Interest paid on:			
(a) Debentures and fixed loans	178.79		172.10
(b) Other loans	9.21		17.31
		188.00	189.41
2. Discounting & Other charges		13.49	16.32
Borrowing Costs (1 + 2)		201.49	205.73

Schedule 5 :
Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for remuneration to Directors

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Profit as per Profit and Loss Account (before taxes)		558.70	588.13
Add / (Less) :			
2. Directors' remuneration, commission and fees	13.22		9.41
3. Provision of Impairment	10.08		2.37
4. (Writeback) / Provision for Directors' retirement obligation	4.00		(1.34)
5. Provision for doubtful debts and advances written back	(0.15)		(1.32)
6. Profit on sale of investments (net)	(16.99)		(94.51)
		10.16	(85.39)
7. Net Profit in accordance with Section 349 of the Companies Act, 1956		568.86	502.74
8. Maximum amount permissible for the Managing Director and Whole-time Directors under Section 309 of the Companies Act, 1956 .		56.89	50.27
9. Commission to the Managing Director and Whole-time Directors		3.50	3.50
10. Commission to non Whole-time Directors (maximum permissible 1%)		5.69	5.03
11. Commission to non Whole-time Directors		2.50	2.50

Schedules Forming Part of the Profit and Loss Account (Contd.)

Notes on the Profit and Loss Account

1. Item 4(n) of Schedule 3

Other expenses ₹ 215.84 crores (previous year ₹ 168.90 crores)

includes :

	₹ in crores	₹ in crores	Previous year ₹ in crores
(a) Exchange loss on foreign currency transactions (net)		32.34	22.48
(b) Auditors' Remuneration			
(i) For Services as Auditors [includes ₹ 0.03 crore to	1.68		1.38
Cost Auditors (previous year ₹ 0.03 crore)]			
(ii) For tax matters	0.24		0.18
(iii) For other services [includes ₹ 0.01 crore to	0.50		0.63
Cost Auditors (previous year ₹ 0.01 crore)]			
(iv) Reimbursement of travelling and out-of-pocket expenses ..	0.02		0.04
[includes ₹ * to Cost Auditors (previous year ₹ 0.01 crore)]			
(v) Service Tax [includes ₹ * to	0.27		0.23
Cost Auditors (previous year ₹ 0.01 crore)]			
		2.71	2.46
(c) Donations		5.00	4.05
(d) Contribution to Electoral Trust		-	0.70
(The Objects of the Trust <i>inter alia</i> , include holding by the Trustees of " Distribution Funds" for distribution to political parties)			

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

	₹ in crores	₹ in crores	Previous year ₹ in crores
(a) Remuneration (including ₹ 0.14 crore (previous year ₹ 0.23 crore) towards Company's contribution to provident fund and superannuation fund, ₹ 1.02 crores (previous year ₹ Nil) towards compensated absences and gratuity).		6.87	3.48
(b) (Writeback) / Provision for post retirement obligation		4.00	(1.34)
(c) Commission		3.50	3.50
(for computation see Schedule 5, page 74)			
(d) Estimated value of benefits in cash or in kind		0.15	0.21
		14.52	5.85

Note :

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

3. Items 3 and 4 of Schedule 3 include :

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

	₹ in crores	₹ in crores	Previous year ₹ in crores
(a) Payment to and Provision for employees		4.96	4.50
(b) Consumables		1.53	1.45
(c) Other expenses		7.36	5.38
		13.85	11.33

@ Note :

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

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Tata Chemicals Limited
Schedules forming part of the Balance Sheet
Schedule A : Share Capital
 [Item No.1(a), page 68]

	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Authorised: 27,00,00,000 Ordinary Shares of ₹ 10 each (31 March, 10 27,00,00,000 Ordinary Shares of ₹ 10 each)	270.00	270.00
2. Issued: 25,48,42,598 Ordinary Shares of ₹ 10 each (31 March, 10 24,33,42,598 Ordinary Shares of ₹ 10 each)	254.84	243.34
3. Subscribed: 25,47,56,278 Ordinary Shares of ₹ 10 each fully paid up (31 March, 10 24,32,56,278 Ordinary Shares of ₹ 10 each) Of the above Shares : (i) 37,000 Ordinary Shares of ₹ 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 ₹ 10 each were issued as fully paid-up Bonus Shares by capitalisation of ₹ 92.97 crores from Securities Premium Account and ₹ 12.43 crores from General Reserve. (iii) 42,49,864 Ordinary Shares of ₹ 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 ₹ 10 each issued as fully paid-up to the Shareholders of Hind Lever Chemicals Limited as per the Scheme of Amalgamation.	254.76	243.26
4. Forfeited Shares: Amount paid-up on 86,320 shares	0.06	0.06
	254.82	243.32

Schedule B : Reserves and Surplus
 [Item No.1(b), page 68]

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ 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	906.31		672.33
Add / (Less) :			
(b) Additions during the year on account of issue of shares	351.90		-
(c) Premium on conversion of FCCBs	-		178.65
(d) Reversal of provision of redemption premium on conversion of FCCBs	-		45.67
(e) Revaluation of equity portion of FCCBs	-		11.62
(f) Debenture issue expenses (net of tax)	-		(1.96)
		1,258.21	906.31
5. Foreign currency translation reserve: Balance as per last account	38.00		38.00
Less : Net adjustment during the year	(20.62)		-
		17.38	38.00
6. General reserve: (a) Balance as per last account	964.49		918.91
(b) Add : Transferred from Profit and Loss Account	40.85		43.48
(c) Add : Foreign Currency Monetary Item Translation Difference	-		2.10
(Note 26, page 103)			
		1,005.34	964.49
7. Debenture redemption reserve: Balance as per last account		240.00	240.00
8. Balance in Profit and Loss Account		1,943.42	1,869.33
		4,485.86	4,039.64

Schedules forming part of the Balance Sheet (Contd.)

	₹ in crores	As at 31-Mar-10 ₹ in crores
Schedule C : Loan Funds - Secured		
[Item No.2(a), page 68]		
Loans :		
1 From Banks : Cash Credits	12.73	9.24
2 Debentures	240.00	240.00
	252.73	249.24
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) 11.80% Secured Redeemable Non-Convertible Debentures face value ₹ 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 68]

	₹ in crores	As at 31-Mar-10 ₹ in crores
Short-term loans and advances :		
(a) From Banks : Buyer's credits (Repayable within one year)	110.01	-
Other loans and advances : (Repayable within one year ₹ 266.75 crores ; previous year ₹ Nil)		
(a) From Banks :		
External Commercial Borrowing	2,096.45	2,109.87
Foreign Currency Non Resident (Banking) Loan	116.75	112.25
(b) From others :		
6.44% Senior Notes due in 2017	-	75.15
(c) Debentures	400.00	400.00
	2,723.21	2,697.27
Notes :		
(a) 7.40% Unsecured Redeemable Non-Convertible Debentures face value ₹ 10 lakhs each redeemable at par on 23 November, 2011 of ₹ 150 crores.		
(b) 10% Unsecured Redeemable Non-Convertible Debentures face value ₹ 10 lakhs each redeemable at par on 2 July, 2019 of ₹ 250 crores.		

Tata Chemicals Limited

Schedules forming part of the Balance Sheet (Contd.)

Schedule E : Fixed Assets
(Item No.5, page 68)

	Gross Block		Depreciation / Amortisation		Impairment	Net Block	
	as at 1-Apr-10	as at 31-Mar-11	as at 1-Apr-10	as at 31-Mar-11		as at 31-Mar-11	as at 31-Mar-10
Fixed Assets							
(At Cost)							
1. Land :							
(a) Freehold	18.20	27.76	-	-	-	27.76	18.20
(b) Leasehold	13.46	18.20	-	-	-	18.20	15.56
	17.19	17.19	3.28	0.16	-	13.75	13.91
	17.05	17.19	3.12	0.16	-	13.91	11.90
2. Works :							
(a) Saltworks, Reservoirs and Pans	41.29	43.13	33.60	4.08	-	5.45	7.69
	38.05	41.29	32.93	0.67	-	7.69	5.12
(b) Plant and Machinery	3,154.63	3,269.74	1,911.73	179.45	56.86	1,180.67	1,194.01
	2,984.10	3,154.63	1,778.25	166.72	48.89	1,194.01	1,159.07
(c) Traction Lines, Railways Sidings and Wagon	36.24	38.74	18.40	0.99	-	21.40	17.84
	35.54	36.24	16.70	1.70	-	17.84	18.84
(d) Buildings	245.79	255.39	86.06	7.47	3.37	159.03	156.35
	240.88	245.79	79.54	6.52	3.38	156.35	157.90
3. Other Buildings #	191.61	191.28	42.83	3.87	-	144.91	148.67
	177.97	191.61	39.48	3.35	0.11	148.67	138.49
4. Water Works	7.86	7.48	6.98	0.08	-	0.76	0.84
	7.83	7.86	6.90	0.08	0.04	0.84	0.93
5. Furniture, Fittings and Office Equipment	73.90	79.55	44.13	6.39	0.05	29.71	29.63
	70.35	73.90	39.19	6.90	0.14	29.63	31.11
6. Vehicles	16.79	16.30	11.47	1.97	0.01	4.14	5.30
	17.76	16.79	11.69	1.37	0.02	5.30	6.06
Total	3,803.50	3,946.56	2,158.48	204.46	60.29	1,587.58	1,592.44
	3,602.99	3,803.50	2,007.80	187.47	52.58	1,592.44	1,544.98

NOTES :

- # includes cost of residential flats aggregating ₹ 1.87 crores (previous year ₹ 1.87 crores) for which legal formalities relating to transfer of title are pending.
- Additions include ₹ 6.85 crores (previous year ₹ 7.57 crores) in respect of Scientific Research and Development Activities pertaining to Innovation Centre, as certified by the Management and accepted by the Auditors.
- Gross book value and accumulated depreciation above include ₹ 24.33 crores (previous year ₹ 13.14 crores) and ₹ 13.88 crores (previous year ₹ 10.77 crores) respectively for asset held for sale. The assets held for sale has been valued at lower of carrying value or net realisable value. Accordingly ₹ 10.08 crores (previous year ₹ 2.37 crores) has been provided.
- Depreciation for the year includes ₹ Nil (previous year ₹ 0.28 crore) capitalised.
- 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 68]	Face Value ₹	Holdings As at 31-Mar-11	₹ in crores	₹ in crores	Holdings As at 31-Mar-10	₹ 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. (sold during the year)	10	-	-		330,000	0.49
Oriental Hotels Ltd. (Share split of 1:10 in November, 2010 and sold 2,00,280 split Shares during the year)	1	4,123,000	4.57		432,328	4.79
Tata Consultancy Services Ltd. (sold during the year)		-	-		100,000	*
Tata Investment Corporation Ltd.	10	416,360	4.45		416,360	4.45
Tata Steel Ltd.	10	4,251,977	99.23		4,251,977	99.23
Tata Motors Ltd.	10	703,741	14.89		703,741	14.89
Tata Motors Ltd. ('A' Ordinary) (sold during the year)		-	-		100,534	3.07
Tata Global Beverages Ltd. (name changed from Tata Tea Ltd.) (Share split of 1:10 during the year)	1	43,175,140	16.09		4,317,514	16.09
Titan Industries Ltd.	10	691,309	10.31		691,309	10.31
				159.36		163.14
2. Investment in Subsidiary Companies:						
a Fully paid Ordinary/Equity Shares (Unquoted):						
Homefield International Pvt. Ltd., (HIPL)	MUR1	90,016,001	408.76		90,016,001	408.76
Bio Energy Ventures -1 (Mauritius) Pvt Ltd. (3,622,000 shares allotted during the year)	USD1	13,994,200	67.74		10,372,200	50.97
Wyoming 1 (Mauritius) Pvt. Ltd. (720,000 shares allotted during the year)	USD1	720,240,000	2,973.17		719,520,000	2,969.83
b Fully Paid Ordinary / Equity Shares (Quoted):						
Rallis India Ltd..... (Including 3,244,720 bonus shares allotted during the year)	10	9,734,161	479.97		6,489,441	479.97
				3,929.64		3,909.53
3. Investment in Joint Ventures :						
Fully paid Ordinary/Equity Shares (Unquoted):						
Khet-Se Agriproduce India Pvt Ltd. (3,749,283 shares allotted during the year)	1	96,885,429	9.69		93,136,146	9.31
Indo Maroc Phosphore, S.A., Morocco ..	MAD1000	206,666	166.26		206,666	166.26
				175.95		175.57

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

Schedule F : Investments [Item No.6, page 68]	Face	Holdings			Holdings		
	Value ₹	As at 31-Mar-11	₹ in crores	₹ in crores	As at 31-Mar-10	₹ in crores	₹ in crores
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. (subscribed to 32,87,101 rights shares during the year)	100	9,861,303	170.19		6,574,202		79.79
Tata Capital Ltd.	10	3,230,859	4.85		-		-
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
				242.47			147.22
5. Fully paid Cumulative Redeemable Preference Shares (Unquoted) in Others:							
7% Tata Sons Ltd.	1,000	200,000	20.00		200,000		20.00
				20.00			20.00
6. Fully paid up Preference Shares of Subsidiary Company (Unquoted)							
5% Non Cumulative Redeemable Preference Shares of HIPL (376,300 Shares allotted during the year and 400,000 Shares redeemed during the year)	USD 100	779,850		374.02	803,550		404.96
LONG TERM INVESTMENTS				4,901.44			4,820.42
Less: Provision for diminution in value of investments				-			0.25
LONG TERM INVESTMENTS (net)				4,901.44			4,820.17
B CURRENT INVESTMENTS							
1. Quoted Equity Shares / Warrants, Fully Paid :							
Tata Investment Corporation Ltd. - Warrants		59,480		-	59,480		-
				-			-

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments [Item No.6, page 68]	Face	Holdings			Holdings	
	Value ₹	As at 31-Mar-11	₹ in crores	₹ in crores	As at 31-Mar-10	₹ in crores
2. Unquoted Equity Shares, Fully Paid :						
IFCI Venture Capital Funds Ltd.	10	250,000	0.25		250,000	0.25
Kowa Spinning Ltd.	10	60,000	*		60,000	*
				0.25		0.25
3. In units of Mutual Funds (Unquoted) :						
IDFC Money Manager - Invest Plan - Plan B - Growth (sold during the year)	10	-	-		14,058,157	20.15
SBI Premier Liquid Fund - Super IP - Growth (sold during the year)	10	-	-		34,573,126	50.00
Tata FIP Fund - Series C3 - IP - Monthly Dividend (sold during the year)	10	-	-		5,018,433	5.02
UTI Spread Fund - Dividend (sold during the year)	10	-	-		8,981,337	10.00
				-		85.17
CURRENT INVESTMENTS				0.25		85.42
TOTAL INVESTMENTS				4,901.69		4,905.59

	Book Value ₹ in crores	Market Value ₹ in crores	Book Value ₹ in crores	Market Value ₹ in crores
Aggregate of Quoted Investments (net of provision)	639.33	2,408.59	642.86	1,807.43
Aggregate of Unquoted Investments	4,262.36		4,262.73	

* value below ₹ 50,000/-

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

Abbreviations for Currencies

₹ : Indian Rupees

MUR : Mauritius Rupees

USD : United States Dollars

MAD : Moroccan Dirhams

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

Schedule G : Inventories (Item No.8 (a), page 68)	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Stores and spare parts, packing materials		97.69	105.69
2. Stock-in-Trade :			
(a) Raw materials	411.72		328.68
(b) Work-in-process	23.25		14.48
(c) Finished goods	163.64		162.34
		598.61	505.50
		696.30	611.19
		₹ in crores	₹ in crores
			As at 31-Mar-10 ₹ in crores
Schedule H : Sundry Debtors (Item No.8 (b), page 68)	₹ in crores	₹ in crores	
1. Over six months old :			
- Considered good	131.33		153.01
- Considered doubtful	20.37		19.89
		151.70	172.90
2. Others :			
- Considered good		600.39	428.59
		752.09*	601.49*
Less : Provision for doubtful debts		20.37	19.89
		731.72	581.60
		₹ in crores	₹ in crores
[Including subsidy receivable of ₹ 586.42 crores (previous year ₹ 474.40 crores)]			
* Of the above debts			
(a) Fully secured		8.83	2.81
(b) Unsecured		743.26	598.68
		752.09	601.49

Debtors include ₹ 8.32 crores (previous year ₹ 12.84 crores) receivable from "The Magadi Soda Company Limited" a subsidiary company. Maximum balance during the year is ₹ 12.84 crores (previous year ₹ 14.18 crores)

Schedules forming part of the Balance Sheet (Contd.)

Schedule I : Cash and Bank Balances

(Item No.8 (c), page 68)

	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Cash on hand	4.67	8.28
(including cheques on hand ₹ 4.61 crores; previous year ₹ 8.22 crores)		
2. Balance with scheduled banks in		
(a) Current accounts	86.09	616.68
(b) Deposit accounts	708.00	87.99
	798.76	712.65

Schedule J : Loans and Advances

(Item No.8 (d), page 68)

(unsecured)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Deposits with Government, public bodies and others :			
(a) Balances with Customs, Port Trusts, Excise etc.	38.47		35.93
(b) Others	7.64		6.19
2. Loans and advances to subsidiary #	17.55		1.07
3. Advance payment of taxes (net of provision)	91.73		28.05
4. Other advances \$			
- Considered good	283.71		211.26
- Considered doubtful	0.01		0.64
	283.72		211.90
Less: Provision for doubtful advances	0.01		0.64
		283.71	211.26
		439.10	282.50

Loans and advance to Subsidiary include ₹ 17.55 crores (previous year ₹ 1.07 crores) being application money towards subscription to Equity shares .

\$ Other advances include loans:

To Officer of the Company ₹ 157,072 (previous year ₹ 2,04,496) Maximum balance during the year ₹ 204,496 (previous year ₹ 2,51,920)

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

Schedule K : Current Liabilities (Item No.9 (a), page 68)	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Acceptances		473.53	428.59
2. Sundry creditors			
(i) Total dues of micro, small and medium enterprises (Note 15, page 98)		3.06	1.62
(ii) Total dues of other creditors		577.93	563.29
3. Sundry deposits		30.66	29.21
4. Pension payable on Employee Separation Scheme (Note 14 (a), page 98)		1.79	2.35
5. Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 (not due as on 31.03.2011 / 31.03.2010)			
(a) Unclaimed dividends	9.27		8.91
(b) Unclaimed debentures and interest	0.01		0.01
		9.28	8.92
6. Interest accrued but not due on loans		36.74	36.07
7. Advances from Customers		42.16	51.76
8. Other liabilities		42.56	36.82
		1,217.71	1,158.63

Schedule L : Provisions (Item No.9 (b), page 68)	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Proposed dividend		254.76	218.93
2. Tax on dividend		39.87	36.36
3. Provision for site restoration expenditure (Note No. 9(b), page 96)		12.57	12.57
4. Provision for employee benefits		91.78	83.15
5. Others		2.18	2.18
		401.16	353.19

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 differences on long term loans to non-integral foreign operations are accumulated in a Foreign Currency Translation Reserve, until disposal / recovery of the net investment.

The exchange differences arising on revaluation of long term foreign currency monetary items for the year ended 31 March, 2008, 2009 and 2010 have been 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 "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.

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

Tata Chemicals Limited

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 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
Moulds for Water Purifiers and Bulbs	3 years

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

(m) Impairment of Assets

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

(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.

(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.

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

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, Directors' Pension Liabilities and Family Benefit Scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the 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 retirement benefit plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency as at the year end.

Family Benefit Scheme is an unfunded defined benefit plan. The benefits of the plan accrue to eligible employees at the time of death or permanent disablement while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 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 and performance incentives.

The cost of compensated absences is accounted as under :

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

(iii) Long-term employee benefits

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

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

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

(p) Derivative Contracts

The Company enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions.

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

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 (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes to Accounts.

(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. Interest on borrowed money, allocated to and utilised for qualifying fixed assets, pertaining to the period upto the date of capitalisation is added to the cost of the assets.

(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) :

		2010-11	2009-10
(a) Profit after tax	₹ in crores	408.49	434.78
(b) The weighted average number of ordinary shares of ₹ 10 each			
Total number of shares	Nos.	25,03,45,319	23,65,65,189
(c) Earnings Per Share (Basic)	₹	16.32	18.38
(d) Profit after tax for Basic EPS	₹ in crores	408.49	434.78
(e) Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gain/(loss) and tax) #	₹ in crores	-	18.97
(f) Profit after tax for Diluted EPS	₹ in crores	408.49	453.75
(g) The weighted average number of ordinary shares for Basic EPS	Nos.	25,03,45,319	23,65,65,189
(h) Add: Adjustments for Foreign Currency Convertible Bonds #	Nos.	-	6,691,089
(i) The weighted average number of ordinary shares for Diluted EPS	Nos.	25,03,45,319	24,32,56,278
(j) Earnings Per Share (Diluted)	₹	16.32	18.38*

* Anti Dilutive, hence restricted to basis EPS

No Foreign currency Convertible Bonds were outstanding during the year.

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

4 Related Party Disclosure :

(a) Related Parties and their relationship

Subsidiaries

Direct

Homefield International Pvt. Limited,
Mauritius
Wyoming 1 (Mauritius) Pvt. Ltd.,
Mauritius
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.,
Mauritius
Rallis India Limited, India

Indirect

Tata Chemicals Asia Pacific Pte. Limited,
Singapore
Homefield Pvt. UK Limited, United Kingdom
Homefield 2 UK Limited, United Kingdom
Tata Chemicals (Europe) Holding Limited*,
United Kingdom
Brunner Mond Group Limited,
Brunner Mond (UK) Limited,
United Kingdom
Brunner Mond Limited, United Kingdom
The Magadi Soda Company Limited,
United Kingdom
Brunner Mond (South Africa) (Pty) Limited,
South Africa
Northwich Resource Management Limited,
United Kingdom
Brunner Mond Generation Company Limited,
United Kingdom
Tata Chemicals Africa Holdings Limited**,
United Kingdom
Magadi Railway Company Limited, Kenya
Brunner Mond B.V., Netherlands
Wyoming 2 (Mauritius) Pvt. Limited,
Mauritius
Gusiute Holdings (UK) Limited,
United Kingdom
Valley Holdings Inc., United States of America
General Chemical Industrial Products Inc.,
United States of America
General Chemical International Inc.,
United States of America
NHO Canada Holdings Inc.,
United States of America
General Chemical (Soda Ash) Inc.,
United States of America
Bayberry Management Corporation,
United States of America

Joint Ventures

Direct

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

Indirect

Alcad, United State of America
Kemex B.V., Netherlands
JOil (S) Pte. Ltd, Singapore
The Block Salt Company Limited #, United Kingdom
Lake Natron Resources Limited, Tanzania (upto 15th December,
United Kingdom 2009)

Key Management Personnel

Mr. R. Mukundan, Managing Director
Mr. P. K. Ghose, Executive Director & CFO
Mr. Kapil Mehan (upto 31August, 2010),
Executive Director

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

General Chemicals (Soda Ash) Partners,
United States of America
General Chemical (Great Britain) Limited,
United Kingdom
General Chemical Canada Holding Inc.,
Canada
GCSAP Canada Inc, Canada
GCSAP Holdings, United States of America
GCSAP LLC, United States of America
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd.,
Mauritius
Grown Energy Zambeze Holdings Pvt. Ltd.,
Mauritius
Grown Energy (Proprietary) Limited*,
South Africa
Grown Energy Zambeze Limitada*,
Mozambique
Rallis Australasia Pty Limited***, Australia
Rallis Chemistry Exports Limited, India
Metahelix Life Sciences Ltd*, India
Dhaanya Seeds Ltd*, India
British Salt Limited*, United Kingdom
Cheshire Salt Holdings Limited*,
United Kingdom
Cheshire Salt Limited*, United Kingdom
Brinefield Storage Limited*, United Kingdom
Broomco (4118) Limited*, United Kingdom
Broomco (4119) Limited*, United Kingdom
Broomco (4120) Limited*, United Kingdom
Cheshire Cavity Storage 2 Limited*,
United Kingdom
Cheshire Compressor Limited*, United Kingdom
Irish Feeds Limited*, United Kingdom
New Cheshire Salt Works Limited*,
United Kingdom

*Companies which became subsidiaries / incorporated during the year.

**Name of Transcontinental Holdings Limited changed to this name w.e.f. December 12, 2010.

*** Has applied for voluntary liquidation as on 31st March, 2011. The Company expects to recover amount higher than the carrying value of the investment.

Joint Venture arising out of acquisitions during the year.

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

(b) Transactions with the related parties

(₹ in crores)

	Subsidiaries										Joint Ventures		Key Management Personnel	Total
	Rallis India Ltd., India	Homefield U.K. Pvt. Ltd., U.K.	Brunner Mond (South Africa) (Pty) Ltd., South Africa	Wyoming 1 (Mauritius) Pvt. Limited., Mauritius	Bio Energy Venture-1 (Mauritius) Pvt Ltd., Mauritius	Tata Chemicals Ltd., Asia Pacific, Singapore	Homefield International Pvt. Ltd., Mauritius	General Chemical Industrial Products Inc., U.S.A.	The Magadi Soda Company Limited, U.K.	Grown Energy Zambeze Limitada, Mozambique	Indo Maroc Phosphate S.A., Morocco	Khet-se Agri Produce India Pvt Ltd., India		
Purchase of goods (includes stock in transit) - Net	8.88 0.32	-	-	-	-	8.99	-	4.34 6.62	-	-	589.83 392.65	-	-	612.04 399.59
Sale of goods	6.25 1.44	-	0.14	-	-	-	-	-	-	-	-	-	-	6.39 1.44
Sale of Fixed Assets	-	-	-	-	-	-	-	14.17	-	-	-	-	-	14.17
Investments (including advance towards subscription to equity shares)	-	-	-	5.61 0.20	13.51 2.07	-	172.84 404.96	-	-	-	-	2.93	-	194.89 868.14
Loans given (including Interest capitalised)	-	-	-	-	-	-	-	-	1.19	-	-	-	-	1.19 0.25
Amount Received (in respect of loans)	-	-	-	-	-	-	-	-	-	-	-	0.25	-	0.25
Amount Receivable (in respect of interest receivable)	0.71	-	-	-	-	-	-	6.07	-	-	-	0.50	0.01	6.78
Amount Payable (in respect of goods purchased)	0.13 0.07	-	-	-	-	1.30	-	12.84	-	197.28 147.29	0.28	-	-	13.17 198.98
Interest paid	-	-	-	-	-	-	-	-	-	0.37 2.46	-	-	-	0.37 2.46
Amount receivable in respect of loans as on the Balance Sheet date	-	-	-	-	-	-	-	-	-	-	-	-	0.02 0.02	0.02 0.02
Maximum amount outstanding during the year	0.24 0.36	-	-	-	-	1.48	-	12.84 14.18	1.19	347.31	1.72 0.52	-	0.03	364.91 15.09
Dividend received	15.25	-	-	-	-	-	-	-	-	10.98 24.04	-	-	-	26.23 24.04
Amounts receivable/received on account of any Management Contracts including for deputation of employees	-	-	-	-	-	-	-	2.25 0.68	-	0.16 0.10	0.17	-	-	2.41 0.95
Guarantees to third parties on behalf of subsidiaries	-	402.69 614.23	-	-	-	-	-	214.06	-	-	-	-	-	616.75 614.23
Preference shares redeemed during the year	-	202.88	-	-	-	-	-	-	-	-	-	-	-	202.88

In addition to the above, remuneration is paid to Key Management Personnel (Refer Notes on the Profit and Loss Account point no: 2 under Schedule VI Financials), under their contract of employment with the Company.
The figures in light print are for previous year.

Tata Chemicals Limited
Schedule M : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
5 Deferred Taxes :

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

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
Deferred Tax Assets :		
Provision for doubtful debts and advances	6.16	8.70
Provision for employee benefits	15.17	11.62
Exchange Difference	79.31	89.44
Other timing differences	5.54	4.31
	106.18	114.07
Deferred Tax Liability :		
Depreciation	261.04	291.82
Borrowing Costs	4.39	12.01
Other timing differences	0.45	0.46
	265.89	304.29
Net deferred tax liability	(159.71)	(190.22)

6 Employee Benefit Obligations :

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

On account of Defined Contribution Plans, a sum of ₹ 4.67 crores (previous year ₹ 5.19 crores) has been charged to the Profit and Loss Account. On account of Provident Fund contribution, a sum of ₹ 5.51 crores (previous year ₹ 4.95 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, 2011. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31 March, 2011 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.

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

(₹ in crores)

	As at 31-Mar-11			As at 31-Mar-10		
	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	56.89	15.00	14.68	49.64	11.33	16.02
Current service cost	2.76	0.52	0.45	2.78	0.43	0.51
Interest cost	4.66	1.25	1.22	3.83	0.88	1.24
Actuarial (gain) / loss	(1.72)	(1.53)	2.82	0.73	3.36	(2.75)
Past service cost	0.00	-	-	3.58	-	-
Benefits paid	(4.46)	(0.84)	(0.60)	(3.67)	(1.00)	(0.34)
Projected defined benefit obligation, end of the year	58.13	14.40	18.57	56.89	15.00	14.68
(ii) Changes in the fair value of plan assets:						
Fair value of plan assets, beginning of the year	57.08	-	-	50.87	-	-
Expected return on plan assets	4.61	-	-	4.21	-	-
Employer's contributions	4.92	0.84	0.60	5.35	1.00	0.34
Actuarial gain / (loss)	(4.35)	-	-	0.31	-	-
Benefits paid	(4.46)	(0.84)	(0.60)	(3.67)	(1.00)	(0.34)
Fair value of plan assets, end of the year	57.80	0.00	0.00	57.08	-	-
(Asset)/Liability (net)	0.33	14.40	18.57	(0.19)	15.00	14.68

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

(₹ in crores)

	As at 31-Mar-11			As at 31-Mar-10		
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Gratuity	Post retirement medical benefits	Directors' retirement obligations
Current service cost	2.76	0.52	0.45	2.78	0.43	0.51
Interest defined benefit obligation	4.66	1.25	1.22	3.83	0.88	1.24
Expected return on plan assets	(4.61)	-	-	(4.21)	-	-
Net actuarial (gain) / loss recognised in the year	2.63	(1.53)	2.82	0.41	3.36	(2.75)
Past service cost	-	-	-	3.58	-	-
Net benefit expense	5.44	0.24	4.49	6.39	4.67	(1.00)
Expected Employer's contribution next year	3.00	0.48	0.92	-	0.44	0.59
Actual Return on Plan Assets	0.26	-	-	4.53	-	-

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Tata Chemicals Limited
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	
	2010-11	2009-10
	%	%
Government of India Securities	64	49
Corporate Bonds	30	15
Equity Shares of Listed Companies	3	1
Insurer Managed Funds	-	33
Others	3	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-11				
	Gratuity & Compensated absences	Long Service Awards	Post retirement medical benefits	Directors' retirement obligations	Family Benefit Scheme
Discount rate	8.20% 8.20%	8.20% 8.20%	8.20% 8.20%	8.20% 8.20%	8.20% 8.20%
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 7.5% for 2 years, 10% for third year & 7.5% thereafter	7.5% for 2 years, 10% for third year & 7.5% thereafter 7.5% for 2 years, 10% for third year & 7.5% thereafter	NA NA	7.5% for 2 years, 10% for third year & 7.5% thereafter 7.5% for 2 years, 10% for third year & 7.5% thereafter	7.5% for 2 years, 10% for third year & 7.5% thereafter 7.5% for 2 years, 10% for third year & 7.5% thereafter
Increase in cost of award	NA NA	NA 6.00%	NA NA	NA NA	NA NA
Healthcare cost increase rate	NA NA	NA NA	6.00% 6.00%	6.00% 6.00%	NA NA
Pension increase rate	NA NA	NA NA	NA NA	5.00% 5.00%	NA NA

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

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

(₹ in crores)

	2010-11		2009-10	
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	0.30	(0.30)	0.31	(0.32)
Effect on defined benefit obligation	2.77	(2.15)	2.86	(2.23)

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

(vii) Experience Adjustments

(₹ in crores)

	Gratuity					Directors' retirement obligations				
	2010-11	2009-10	2008-09	2007-08	2006-07	2010-11	2009-10	2008-09	2007-08	2006-07
Defined Benefit Obligation	58.13	53.31	49.64	47.49	45.34	18.57	14.67	16.02	3.40	-
Plan Assets	57.80	57.08	50.87	46.83	43.06	-	-	-	-	-
Surplus / (Deficit)	(0.33)	3.77	1.23	(0.67)	(2.28)	(18.57)	(14.67)	(16.02)	(3.40)	-
Experience Adjustments on Plan Liabilities	(1.64)	3.47	(1.81)	(2.77)	3.90	2.82	(0.16)	10.46	-	-
Experience Adjustments on Plan Assets	(4.35)	0.31	1.76	2.39	(3.03)	-	-	-	-	-
	Post retirement medical benefits					Family Benefit Scheme				
Defined Benefit Obligation	14.40	15.00	11.32	7.31	5.88	11.36	11.32	-	-	-
Plan Assets	-	-	-	-	-	-	-	-	-	-
Surplus / (Deficit)	(14.40)	(15.00)	(11.32)	(7.31)	(5.88)	(11.36)	(11.32)	-	-	-
Experience Adjustments on Plan Liabilities	(1.53)	4.95	2.60	1.00	(0.40)	(0.85)	-	-	-	-
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 :

(₹ in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		IMACID		Kemex B.V.		ALCAD		Joil (S) Pte. Ltd		The Block Salt Company Ltd.	
	India		Morocco		Netherlands		United States of America		Singapore		United Kindom	
Country of Incorporation	India		Morocco		Netherlands		United States of America		Singapore		United Kindom	
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		33.78%		50.00%	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
LIABILITIES												
Loan Funds	2.89	3.97	-	2.27	2.23	2.11	-	-	-	-	-	-
Current Liabilities	1.29	1.65	120.95	39.89	0.11	0.59	6.03	6.14	0.40	0.35	2.27	-
ASSETS												
Fixed Asset- Net Block	4.37	4.73	61.40	58.39	-	-	-	-	16.75	16.92	1.70	-
Current Assets	0.80	2.44	269.47	161.36	0.24	2.54	8.47	8.62	29.81	25.58	3.03	-
INCOME												
Sales and Operating income	4.74	3.59	442.44	369.85	0.76	5.76	89.71	112.43	0.07	0.03	2.21	-
Other Incomes	0.02	0.01	4.76	1.45	-	-	-	-	0.22	0.04	-	-
EXPENDITURE												
Manufacturing and other expenses	7.30	5.09	389.51	310.95	1.93	5.79	58.46	74.11	5.41	3.95	1.91	-
Interest expense	0.35	0.28	2.29	1.36	-	-	-	-	0.00	-	-	-
Depreciation	0.36	0.36	10.00	24.53	-	-	-	-	2.12	2.56	0.14	-
Provision for Tax	-	-	8.55	4.62	0.16	(0.15)	-	-	-	-	-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(3.25)	(2.13)	36.85	29.84	(1.33)	0.12	31.25	38.32	(7.24)	(6.44)	0.16	-
CONTINGENT LIABILITIES	-	0.10	-	-	-	-	-	-	4.98	-	-	-
CAPITAL COMMITMENTS	-	-	-	4.43	-	-	-	-	15.92	16.56	-	-

8. During the year 2009-10, the Company got notices for conversion of USD 42.756 million FCCBs into ordinary shares at a conversion price of ₹ 230.78 per ordinary share at a fixed exchange rate of ₹ 43.65 = USD1. Pursuant to this, the Company had issued 80,86,912 Ordinary share of Face Value ₹ 10 in the year 2009-10.

Tata Chemicals Limited
Schedule M : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
9 Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2011 :

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

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
Opening Balance	-	46.52
Add :- Reversal of Provision for Premium on Redemption of FCCBs on conversion of FCCBs	-	(45.30)
Payment on redemption on Repayment of FCCBs	-	(1.11)
Exchange difference on redemption of FCCBs	-	(0.11)
Closing Balance	-	0.00

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

- (b) Provision for site restoration expenditure :

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
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):

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
Opening Balance	2.18	-
Add : Provision during the year	-	2.18
Less : Payments / Reversal during the year	-	-
Closing Balance	2.18	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 24.67 million** (previous year USD Nil) for the purpose of hedging its exposures to foreign currency loans
 - (ii) Forward currency exchange contracts USD- INR amounting to **USD 112.49 million** (previous year USD 87.41 million) for the purpose of hedging its exposures to foreign currency acceptances
 - (iii) Accounts payable **USD Nil, CHF Nil & EUR Nil** (previous year USD 2.89 million, CHF 0.19 million & EUR 0.19 million)
 - (iv) Forward currency exchange contracts **USD-INR 58.16 million, EUR-INR 2.6 million & EUR-USD 0.45 million** (previous year USD Nil) for the purpose of hedging highly probable forecast transactions.
 - (v) Currency options contracts USD- INR amounting to **USD 78 million** (previous year USD 26 million) with an intent to hedge its exposures to foreign currency loans

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

- (vi) Full Currency Swap to hedge against fluctuations in exchange rates **USD 76 million** (previous year Notional principal USD 76 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) Long Term Forward Contract **USD-INR 71 million** (previous year USD-INR 35 million) to hedge against fluctuation in exchange rates for the purpose of hedging its exposure to foreign currency long term loans
- (b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:
 - (i) Export receivables **USD 1.7 million** (previous year USD 4.41 million)
 - (ii) Acceptances **USD NIL million** (previous year USD 8.78 million)
 - (iii) Accounts payable **USD 10.51 million** (previous year USD 28.59 million)
 - (iv) Liability arising out of cross currency swap **USD 275 million** (previous year USD 382 million).
- 11 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for **₹ 141.87 crores** (previous year ₹ 56.15 crores).
- (b) Capital commitment towards investment in joint ventures **₹ 72 crores** (previous year ₹ 85.44 crores).

12 Contingent Liabilities :

- (a) **Guarantees:**
 - (i) Bank Guarantees issued by Banks on behalf of the Company **₹ 193.96 crores** (previous year ₹ 91.85 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.
 - (ii) Guarantees provided to third parties on behalf of subsidiaries **USD 138.30 million (₹ 616.75 crores)** (previous year USD 136.80 million (₹ 614.23 crores))
- (b) **Claims not acknowledged by the Company relating to cases contested by the Company and which, in the opinion of the Management, are not likely to be devolved on the Company relating to the following areas :**

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
(i) Excise and Customs	73.92	90.02
(ii) Sales Tax	81.06	23.39
(iii) Demand for utility charges	56.83	57.41
(iv) Labour and other claims against the Company not acknowledged as debt	1.94	0.98
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	239.23	208.14
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	37.33	38.73

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

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Tata Chemicals Limited
Schedule M : Notes on the Balance Sheet and Profit and Loss Account (Contd.)
13 Operating Leases :

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
(a) Total of minimum lease payments	117.01	160.51
The total of future minimum lease payments under non-cancellable operating leases for a period :		
Not later than one year	15.28	15.11
Later than one year and not later than five years	83.50	68.40
Later than five years	18.24	77.00
(b) Lease payments recognised in the Profit and Loss Account for the year	16.35	15.11
(c) The lease deposit of ₹ 25 crores (previous year ₹ 25 crores) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ 2.17 crores (previous year ₹ 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 (₹ 0.56 crore) (previous year ₹ 0.27 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, 2011 as follows :		

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
(a) (i) Principal amount remaining unpaid to any supplier as on 31 March, 2011	3.05	1.60
(ii) Interest on (a)(i) above	*	-
(b) (i) The amount of principal paid beyond the appointed date	2.48	3.53
(ii) The amount of interest paid beyond the appointed date	0.02	0.02
(c) Amount of interest due and payable on delayed payments	0.01	0.02
(d) Amount of interest accrued and due as at 31st March, 2011	0.01	0.02
(e) Total outstanding dues of micro enterprises and small enterprises	3.06	1.62

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

16 Licensed and installed capacities :

	As at 31-Mar-11		As at 31-Mar-10	
	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	100,000	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.	647,500	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	52,700	52,700
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

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

	Production/Purchase		Internal Use ##		Sales			
	2010-11	2009-10	2010-11	2009-10	2010-11		2009-10	
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	₹ in crores	Tonnes	₹ in crores
Soda Ash	696,746	695,721	20,208	23,444	668,774	974.95	675,481	924.89
Sodium Bicarbonate	78,278	71,804	969	135	76,289	119.97	71,071	104.44
Caustic Soda	10,979	9,509	3,808	2,826	7,296	10.41	6,683	8.91
Liquid Chlorine	2,068	1,763	120	245	1,947	0.94	1,524	0.25
Hydrochloric Acid	18,188	14,787	15,931	12,164	2,478	0.29	2,623	0.11
Bromine	1,177	1,376	-	-	1,177	16.46	1,380	10.19
Vacuum Salt #	597,077	589,398	12,684	11,302	600,411	596.40	552,985	521.87
Pure Salt	2,886	2,978	62	25	2,685	2.30	3,679	2.76
Solar Salt	-	192,420	-	1,980	-	-	192,420	5.81
Gypsum	143,819	253,195	28,088	8,132	142,574	13.78	258,669	17.59
Cement	418,866	453,901	8,645	5,421	409,881	153.59	448,685	178.45
Clinker	385,178	419,164	382,780	388,077	2,398	0.55	31,087	6.68
Ammonia	636,305	700,978	636,347	701,574	-	-	-	-
Urea **	1,117,153	1,231,211	863	-	1,140,848	1,187.38	1,222,796	1,181.46
Sodium Tripoly phosphate (STPP)	10,575	13,526	(16)	9	10,614	56.75	14,139	68.22
Diammonium Phosphate (DAP)	208,464	184,392	781	186	206,289	546.44	187,002	373.32
NPK **	361,419	394,355	132	291	356,796	847.01	423,786	1,026.56
Single Super Phosphate **	140,496	97,249	99.40	-	142,299	107.41	93,248	58.90
Sulphuric Acid	176,423	133,885	101,023	83,552	74,258	36.71	51,162	15.99
Phosphoric Acid	11,388	8,919	11,639	8,288	6	0.03	-	-
Others	-	-	-	-	-	145.53	-	3.28
Sale of Purchased Materials :								
Solar Evaporated Salt I shakti	212,944	207,261	-	-	215,974	143.21	200,270	127.35
Diammonium Phosphate (DAP)	278,492	66,650	1,507	382	276,981	745.91	66,299	138.18
Muriate of Potash (MOP)	211,735	182,072	10,077	5,213	216,854	445.72	190,172	500.72
Soda Ash	2,268	-	-	-	2,268	3.37	-	-
Bicarb trading	65	-	-	-	65	0.10	-	-
Others	-	-	-	-	-	196.94	-	236.79
						6,352.14		5,512.73

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

After adjusting excess / shortage

** Production figures include Bulk Production

Cost of Traded Products :

₹ in crores

	2010-11	2009-10
Solar Evaporated Salt I shakti	43.86	39.81
DAP	685.19	122.14
MOP	383.99	379.31
Others	195.88	161.60
Total	1,308.92	702.86

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

18 Closing Stocks of Finished Goods :

	As at 31-Mar-11		As at 31-Mar-10		As at 31-Mar-09	
	Tonnes	₹ in crores	Tonnes	₹ in crores	Tonnes	₹ in crores
Soda Ash	21,237	22.82	13,472	13.44	16,676	13.96
Sodium Bicarbonate	2,184	2.24	1,165	0.95	567	0.65
Liquid Chlorine	20	0.01	17	0.01	23	-
Bromine	9	0.06	7	0.04	11	0.06
Vacuum Salt	45,023	16.85	61,042	19.89	35,931	11.57
Pure Salt	144	0.06	5	0.00	731	0.20
Solar Salt	-	-	-	-	1,980	0.02
Gypsum	16,822	0.23	43,665	1.17	57,271	1.35
Cement	1,622	0.54	1,282	0.39	1,487	0.39
Urea	15,149	13.05	45,188	30.65	36,973	32.94
Customised Fertilizer	7,365	7.09	-	-	-	-
Sodium Tripolyphosphate (STPP)	15	0.12	53	0.23	675	3.12
Diammonium Phosphate (DAP)	2,594	5.89	1,179	2.17	4,056	9.09
NPK	5,534	11.40	990	1.83	30,705	75.81
Single Super Phosphate	264	0.07	3,066	1.67	1,107	0.98
Sulphuric Acid	3,591	1.55	2,449	0.79	3,278	0.89
Phosphoric Acid	477	2.09	733	4.01	102	0.66
Sulphonic Acid	4	0.03	4	0.03	1	0.01
Others	-	6.74	-	0.30	-	22.01
Traded Goods :						
Solar Evaporated Salt I shakti	19,314	9.80	22,344	7.75	15,353	5.18
Other Complex Fertilisers	-	29.10	-	23.93	-	0.08
Muriate of Potash (MOP)	17,630	33.90	32,827	53.10	46,140	143.21
	158,998	163.64	233,584	162.34	253,068	322.18

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

(inclusive of materials produced and captively consumed)

	Measure	2010-11		2009-10	
		Quantity	₹ in crores	Quantity	₹ in crores
Limestone @	Tonnes	1,700,452	115.40	1,744,194	87.02
Liquid Ammonia#	Tonnes	2,966	5.21	2,671	4.28
Salt *	Tonnes	1,853,160	26.20	1,979,503	24.86
Coke	Tonnes	51,194	94.76	40,881	82.82
Anthracite Coal	Tonnes	58,829	41.82	72,765	61.05
Natural Gas	SCM	371,579,391	369.45	370,763,149	352.89
RLNG	SCM	89,998,431	129.36	118,871,131	152.07
Naptha	KL	-	-	485	0.86
Phosphoric Acid	Tonnes	188,194	671.64	192,620	528.11
Ammonia	Tonnes	91,579	189.11	91,799	148.82
MOP	Tonnes	158,071	282.98	170,559	454.23
Rock	Tonnes	122,808	91.02	88,680	80.57
Sulphur	Tonnes	57,540	52.94	45,427	21.53
Soda Ash	Tonnes	10,990	9.66	14,407	11.82
Neem Oil	Ltr.	231,719	1.07	-	-
Other Raw Materials **		-	118.24	-	70.21
			2,198.87		2,081.14

@ Includes ₹ 0.72 crore (Previous Year ₹ 0.83 crore) pertaining to Wages, Salaries and other revenue account

Includes ₹ 4.66 crores (Previous Year ₹ 0.54 crore) pertaining to Wages, Salaries and other revenue account

* Includes ₹ 0.84 crore (Previous Year ₹ 5.65 crores) pertaining to Wages, Salaries and other revenue account

** Includes ₹ 4.51 crores (Previous Year ₹ 8.60 crores) pertaining to Wages, Salaries and other revenue account

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

(₹ in crores)

	2010-11	2009-10
(a) Raw Materials, fuel and traded products	2,529.61	1,712.17
(b) Stores, components and spare parts	9.31	9.11
(c) Capital goods	40.11	35.58
	2,579.03	1,756.86

(₹ in crores)

21 Expenditure in Foreign Currencies :

	2010-11	2009-10
(a) For Technical know how fees @	15.84	4.21
(b) Interest #	124.94	141.69
(c) Payments on other accounts #	6.02	4.28
	146.80	150.18

@ Expenditure ₹ 6.55 crores (previous year ₹ 3.62 crores) at gross of TDS and ₹ 9.29 crores (previous year ₹ 0.59 crore) net of TDS for the year 2010-11.

Expenditure at gross of TDS for the year 2010-11.

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 ₹ **29.85 crores** (previous year ₹ 21.80 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.

	2010-11	2009-10
(a) Number of Non-Resident Shareholders	2,447	2,903
(b) Number of Ordinary Shares held by them	3,31,64,110	2,42,23,109
(c) Gross amount of dividend (₹ in crores)	29.85	21.80
(d) Year ended to which the dividend related	March-2010	March-2009

(₹ in crores)

23 Earnings in Foreign Exchange :

	2010-11	2009-10
(a) Export of goods on F.O.B. basis	41.73	89.63
(b) Interest	0.47	1.14
(c) Dividend	10.98	24.04
	53.18	114.81

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

	2010-11		2010-11		2009-10		2009-10	
	Raw Materials		Stores, Components and Spare Parts		Raw Materials		Stores, Components and Spare Parts	
	₹ in crores	%	₹ in crores	%	₹ in crores	%	₹ in crores	%
(a) Imported	1412.20	64.73	6.29	10.77	1712.17	82.27	11.10	19.75
(b) Indigenous	# 786.67	35.27	52.14	89.23	# 368.97	17.73	45.08	80.25
	2198.87	100.00	58.43	100.00	2081.14	100.00	56.18	100.00

Includes ₹ **12.03 crores** (previous year ₹ 15.61 crores) pertaining to wages, salaries and other revenue accounts.

25 Sales includes subsidy income of ₹ **2,376.73 crores** (previous year ₹ 2,059.69 crores)

26 During the year ended 31st March 2009 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 ₹ **Nil** (net of tax) (previous year ₹ 7.89 crores) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).

Tata Chemicals Limited

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

27 Insurance claim

- (a) Insurance claim includes ₹ 36.09 crores towards estimated loss of profit for the year ended 31st March, 2011 pertaining to Company's Fertilizer Plant at Babrala (on account of temporary disruption due to fault in Synthesis Converter in the ammonia plant upto 31st August, 2010).
- (b) The devastating rain fall coupled with cyclonic wind in the months of July & August 2010 in and around Mithapur plant, the stocks of salt, Soda Ash and also the salt works were damaged due to flooding of water. The Company has adequate coverage towards cost of damaged property and stock. The work for the restoration of property is in progress and Insurance claims for both the damages have been lodged. The claim for loss of stocks ₹ 2.04 crores has been recognized in the books, based on the estimates.

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

29 Asterisk (*) denotes figures below ₹ 50,000.

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

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

For and on behalf of the Board

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

Mumbai, 23rd May, 2011. Rajiv Chandan
Company Secretary & Head-Legal

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code

Balance Sheet Date

Date Month Year

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

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

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

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

IV. Performance of Company (Amount in ₹ Thousands)

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

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

Item code no. (ITC Code)

Product Description

Item code no. (ITC Code)

Product Description

Item code no. (ITC Code)

Product Description

Seventy Second Annual Report 2010-2011
Tata Chemicals Limited
**For the year ended March 31, 2011
Summary of Financial Information of Subsidiary Companies under Sec 212**

(₹ in crores)

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Reporting Currency	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Homefield International Pvt. Limited	Mauritius	USD	401.43	101.87	852.84	349.55	-	-	16.41	252	13.90	-
2	Wyoming 1 (Mauritius) Pvt. Limited	Mauritius	USD	3,214.14	(0.02)	3,214.16	0.04	-	-	(0.06)	-	(0.06)	-
3	Tata Chemicals Asia Pacific Pte. Limited	Singapore	SGD	60.47	(0.18)	60.30	0.01	-	-	(0.08)	-	(0.08)	-
4	Homefield Pvt. UK Limited	United Kingdom	USD	371.98	(63.32)	990.74	682.08	944.70	-	(13.81)	-	(13.81)	-
5	Homefield 2 UK Limited	United Kingdom	GBP	71.80	671.41	743.21	-	743.21	-	28.33	-	28.33	-
6	Tata Chemicals (Europe) Holding Limited	United Kingdom	GBP	71.80	660.46	1,709.56	977.29	1,709.56	-	17.38	-	17.38	-
7	Brunner Mond Group Limited	United Kingdom	GBP	456.74	437.88	956.61	61.99	527.82	-	(60.39)	-	(60.39)	-
8	Brunner Mond (UK) Limited	United Kingdom	GBP	122.33	154.37	989.75	713.05	-	1,113.37	37.35	13.55	23.80	-
9	Brunner Mond Limited	United Kingdom	GBP	-	*	-	-	-	-	431	-	431	-
10	The Magadi Soda Company Limited	United Kingdom	USD	-	164.60	674.51	509.90	-	458.82	(55.27)	(25.29)	(29.98)	-
11	Brunner Mond (South Africa) Pty Limited	South Africa	ZAR	*	19.80	30.96	11.17	-	59.16	290	0.66	224	-
12	Northwich Resource Management Limited	United Kingdom	GBP	-	(*)	*	-	-	-	-	-	-	-
13	Brunner Mond Generation Company Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
14	Tata Chemicals Africa Holding Limited	United Kingdom	GBP	28.33	773	36.05	-	32.88	-	-	(1.24)	(1.24)	-
15	Magadi Railway Company Limited	Kenya	USD	0.01	-	0.01	-	-	-	-	-	-	-
16	Brunner Mond B.V.	Netherlands	EUR	0.12	(269.99)	352	273.39	-	0.27	(1.06)	-	(1.06)	-
17	Wyoming 2 (Mauritius) Pvt. Limited	Mauritius	USD	3,214.00	(0.27)	3,213.82	0.08	-	-	(0.06)	-	(0.06)	-
18	Gusiate Holdings (UK) Limited	United Kingdom	USD	3,213.72	(35.61)	3,178.29	0.18	-	-	(0.14)	*	(0.14)	-
19	Valley Holdings Inc.	United States of America	USD	*	3,785.04	3,819.87	34.83	-	-	(5.12)	(1.79)	(3.33)	-
20	General Chemical Industrial Products Inc.	United States of America	USD	*	(523.79)	740.05	1,263.84	-	20.20	(92.35)	71.05	(163.39)	-
21	General Chemical International Inc.	United States of America	USD	*	-	*	-	-	-	-	-	-	-
22	NHO Canada Holdings Inc.	United States of America	USD	*	-	*	-	-	-	-	-	-	-
23	General Chemical (Soda Ash) Inc.	United States of America	USD	*	-	*	-	-	-	-	-	-	-
24	Bayberry Management Corporation	United States of America	USD	-	-	-	-	-	-	-	-	-	-
25	General Chemicals (Soda Ash) Partners	United States of America	USD	-	981.93	1,500.21	518.28	-	1,821.03	532.98	-	532.98	-
26	General Chemical (Great Britain) Limited	United Kingdom	GBP	-	0.87	0.87	-	-	-	-	-	-	-
27	General Chemical Canada Holding Inc.	Canada	CAD	-	-	-	-	-	-	-	-	-	-
28	GCSAP Canada Inc.	Canada	CAD	-	-	-	-	-	-	-	-	-	-
29	GCSAP Holdings	United States of America	USD	-	(505.30)	(498.09)	721	-	-	(0.48)	-	(0.48)	-
30	GCSAP LLC	United States of America	USD	0.01	-	0.01	*	0.01	-	-	-	-	-
31	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Mauritius	USD	74.00	(0.26)	73.79	0.04	-	-	(0.09)	-	(0.09)	-
32	Bio Energy Venture - 2 (Mauritius) Pvt. Ltd.	Mauritius	USD	73.75	(0.26)	73.53	0.04	-	-	(0.09)	-	(0.09)	-
33	Grown Energy Zambeze Holdings Pvt. Ltd.	Mauritius	USD	21.13	(0.25)	23.05	2.17	-	-	(0.12)	-	(0.12)	-

(₹ in crores)

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Reporting Currency	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
34	Grown Energy (Proprietary) Limited	South Africa	Z A R	*	(*)	*	-	-	-	-	-	-	-
35	Grown Energy Zambeze Limitada	Mozambique	MZN	027	(10.37)	10.52	20.61	-	-	(4.09)	-	(4.09)	-
36	Rallis India Limited	India	INR	19.45	483.91	960.92	457.56	25.60	1,046.72	183.57	57.36	126.21	21.39
37	Rallis Australasia Pty Limited	Australia	AUD	*	0.98	0.98	-	-	0.79	(0.84)	-	(0.84)	-
38	Rallis Chemistry Exports Limited	India	INR	0.05	(0.08)	0.16	0.19	-	-	(0.04)	-	(0.04)	-
39	Metahelix Life Sciences Ltd	India	INR	0.11	55.70	59.36	3.55	-	5.50	3.64	0.68	2.96	-
40	Dhaanya Seeds Ltd	India	INR	2.57	(2.93)	53.57	53.92	-	14.58	(1.23)	-	(1.23)	-
41	British Salt Limited	United Kingdom	GBP	-	18.14	520.56	502.43	6.02	67.93	17.76	-	17.76	-
42	Cheshire Salt Holdings Limited	United Kingdom	GBP	2.28	(2.25)	0.18	0.15	-	-	-	-	-	-
43	Cheshire Salt Limited	United Kingdom	GBP	-	130.23	130.32	0.09	-	-	(6.85)	-	(6.85)	-
44	Brinefield Storage Limited	United Kingdom	GBP	0.01	(0.05)	-	0.04	-	-	-	-	-	-
45	Broomco (4118) Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
46	Broomco (4119) Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
47	Broomco (4120) Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
48	Cheshire Cavity Storage 2 Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
49	Cheshire Compressor Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
50	Irish Feeds Limited	United Kingdom	GBP	0.14	3.22	6.02	2.66	-	3.88	0.09	-	0.09	-
51	New Cheshire Salt Works Limited	United Kingdom	GBP	5.47	7.27	12.81	0.06	1.08	-	0.06	-	0.06	-

Notes:

1. The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.
2. Asterisk (*) denotes figures below ₹ 50,000.

Tata Chemicals Limited
Financial Highlights - Last Decade

Year	Turnover (₹ Crs)	Net Operating Income (₹ Crs)	PAT / Net Income (%)	Earnings per Share - Basic (₹)	Dividend per Share (₹)	Gross Gearing (%)	Return on Capital Employed (%)	Return on Networth (%)	Fixed Assets Cover (No. of times)	Working Capital Turnover (%)	Market Capitalisation as on March 31 (₹ Crs)
2000-01	1,470.00	1,405.25	12%	9.13	5.00	37%	11%	9%	0.51	52%	687.33
2001-02	1,387.10	1,357.68	9%	7.02	5.00	34%	10%	7%	0.48	50%	839.97
2002-03	1,612.42	1,535.27	13%	10.88	5.50	28%	12%	12%	0.54	41%	1,190.41
2003-04	2,632.79	2,544.15	9%	10.25	5.50	24%	12%	12%	0.84	34%	2,293.62
2004-05	3,097.91	3,008.14	11%	15.83	6.50	36%	14%	17%	0.98	39%	3,260.96
2005-06	3,638.23	3,518.59	10%	16.41	7.00	37%	14%	17%	1.12	48%	5,675.48
2006-07	4,107.08	3,985.03	11%	20.65	8.00	28%	17%	19%	1.24	22%	4,451.55
2007-08	4,207.13	4,075.62	23%	42.82	9.00	38%	24%	32%	1.24	23%	6,570.55
2008-09	8,537.21	8,399.65	5%	19.25	9.00	48%	12%	12%	2.33	13%	3,328.82
2009-10	5,512.54	5,476.64	8%	18.38	9.00	40%	11%	11%	2.48	12%	7,982.45
2010-11	6,352.14	6,332.43	6%	16.32	10.00	36%	10%	9%	1.60	21%	8,715.62

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, 2011, 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 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. Without qualifying our opinion, we invite attention 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 generally accepted accounting principles in India. Had the Group followed the 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 the minority interest of the Group for year ended 31st March, 2011 would have been higher by ₹ 22.33 crores and ₹ 3.03 crores respectively.
4. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of ₹ 2,387.98 crores as at 31st March, 2011, total revenues of ₹ 1,932.04 crores and net cash inflows amounting to ₹ 65.07 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) 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 and joint ventures 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, 2011;
 - (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
(Registration No.117366W)

Nalin M. Shah
(Partner)
(Membership No. 15860)

Tata Chemicals Limited
Consolidated Balance Sheet as at 31st March, 2011

	Schedule	Page	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	116		254.82	243.32
(b) Reserves and Surplus	B	116		5,196.87	4,473.10
				5,451.69	4,716.42
2. MINORITY INTEREST				406.45	350.06
3. DEFERRED CAPITAL GRANT				-	4.32
4. LOAN FUNDS					
(a) Secured Loans	C	117	2,656.77		1,838.85
(b) Unsecured Loans	D	117	3,042.97		3,154.87
				5,699.74	4,993.72
5. DEFERRED TAX LIABILITY (net)				167.87	190.39
(Note 6, page 131)					
6. TOTAL				11,725.75	10,254.91
APPLICATION OF FUNDS					
7. FIXED ASSETS					
(a) Gross Block			8,728.24		7,472.20
(b) Less : Depreciation and Impairment			4,946.83		4,159.66
(c) Net Block	E	118	3,781.41		3,312.54
(d) Capital Work-in-Progress			709.06		518.42
				4,490.47	3,830.96
8. GOODWILL ON CONSOLIDATION				5,632.42	5,324.70
9. INVESTMENTS	F	119		447.90	557.66
10. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE				-	7.89
(Note 19, page 139)					
11. DEFERRED TAX ASSET (net)				163.47	176.54
(Note 6, page 131)					
12. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	G	120	1,145.59		958.72
(b) Sundry Debtors	H	120	1,365.35		1,111.08
(c) Cash and Bank Balances	I	120	1,345.04		1,158.90
(d) Loans and Advances	J	121	781.94		542.51
Less:			4,637.92		3,771.21
13. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	121	2,326.34		2,107.27
(b) Provisions	L	121	1,320.09		1,306.78
			3,646.43		3,414.05
14. NET CURRENT ASSETS (12-13)				991.49	357.16
15. TOTAL				11,725.75	10,254.91
16. Notes on the Balance Sheet and Profit and Loss Account	M	122			

In terms of our report attached.

 For DELOITTE HASKINS & SELLS
Chartered Accountants

 Nalin M. Shah
Partner

Mumbai, 23rd May, 2011.

 Rajiv Chandan
Company Secretary & Head-Legal

For and on behalf of the Board

 Ratan N. Tata
R. Gopalakrishnan
Nusli N. Wadia
Prasad R. Menon
Nasser Munjee
Dr. Yoginder Alagh
Dr. Y. S. P. Thorat
Eknath A. Kshirsagar
R. Mukundan
P. K. Ghose

 Chairman
Vice-Chairman

Directors

 Managing Director
Executive Director & CFO

Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Page	₹ in crores	₹ in crores	Previous year ₹ in crores
INCOME					
1. Sales and services	1 (1)	114	11,102.40		9,567.76
Less: Excise Duty			207.78		119.08
Net Sales				10,894.62	9,448.68
2. Operating Income	1 (2)	114		165.53	94.87
3. Other Income	2	114		96.19	168.81
4. TOTAL INCOME				11,156.34	9,712.36
EXPENDITURE					
5. Manufacturing and Other Expenses	3	115	9,196.64		7,703.74
6. Voluntary Retirement Scheme			26.75		-
7. Borrowing Costs	4	115	350.83		393.18
8. Restructuring costs for overseas operations			-		90.21
(Note 17, page 138)					
9. Foreign exchange loss on borrowings			0.03		108.28
10. Depreciation and Amortisation	E	118	9,574.25		8,295.41
11. Impairment of assets (net of reversal)			451.05		446.78
(Note 17, page 138)			10.08		37.27
TOTAL EXPENDITURE				10,035.38	8,779.46
PROFIT BEFORE TAX				1,120.96	932.90
12. PROVISION FOR TAX					
(a) Current (includes short provision of prior years ₹ NIL (previous year ₹ 15.17 crores))			299.71		262.73
(b) Deferred			(24.79)		(53.41)
				274.92	209.32
PROFIT AFTER TAX BEFORE MINORITY INTEREST				846.04	723.58
13. MINORITY INTEREST				192.57	131.14
14. SHARE OF PROFIT IN ASSOCIATE				-	13.47
15. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				653.47	605.91
16. BALANCE BROUGHT FORWARD				2,374.96	2,081.15
17. AMOUNT AVAILABLE FOR APPROPRIATIONS				3,028.43	2,687.06
18. APPROPRIATIONS :					
(a) Proposed Dividend				254.76	218.93
(b) Tax on Dividend				41.33	37.11
(c) General Reserve				53.47	53.58
(d) Debenture Redemption Reserve				12.50	-
(e) Other Reserves				-	2.48
(f) Balance carried to Balance Sheet				2,666.37	2,374.96
				3,028.43	2,687.06
19. EARNINGS PER SHARE (₹) (Note 4, page 129 and Note 8(d), page 131) (Face value per share- ₹10)					
(a) Basic				26.10	25.61
(b) Diluted				26.10	25.61
20. Notes on the Balance Sheet and Profit and Loss Account	M	122			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

Mumbai, 23rd May, 2011.

Rajiv Chandan
Company Secretary & Head-Legal

For and on behalf of the Board

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

Tata Chemicals Limited
Consolidated Cash Flow Statement for the year ended 31st March, 2011

	₹ in crores 2010-11	₹ in crores 2009-10
A Cash Flow from Operating Activities		
Net Profit before Tax	1,120.96	932.90
Adjustments for :		
Foreign Exchange (Gain) / Loss on Borrowings	0.03	108.28
Depreciation & Amortisation	451.05	446.78
Impairment of Assets (net of reversal)	10.08	37.27
Borrowing Costs	350.83	393.18
Interest Income	(11.86)	(3.12)
Amortisation of Capital Grant	(4.32)	(4.71)
(Profit) / Loss on Sale of Investments (net)	(17.01)	(94.51)
Dividend Income	(64.25)	(55.22)
Investment Income	(0.22)	(10.86)
Provision for doubtful debts and advances written back	(0.19)	(1.04)
Provision for diminution in value of current investments	(0.25)	-
Exchange Difference	(29.12)	160.54
Loss on assets sold or discarded (net)	9.31	15.60
Operating Profit before Working Capital Changes	1,815.04	1,925.09
Adjustments for :		
Trade and other receivables	(322.95)	647.44
Inventories	(152.13)	471.39
Trade payables, other liabilities and provisions	46.53	(766.62)
Cash generated from Operations	1,386.49	2,277.30
Taxes paid (net of refund)	(427.05)	(287.73)
Net Cash generated from Operating Activities	959.44	1,989.57
B Cash Flow from Investing Activities		
Acquisition of fixed assets(including Capital Work-in-Progress)	(619.55)	(591.08)
Proceeds on sale of fixed assets	26.39	2.57
Proceeds on sale of investments	11,028.20	12,056.48
Purchase of investments	(10,901.23)	(11,526.61)
Acquisition/Investment in Subsidiary	(814.86)	(460.91)
Interest received	13.32	10.69
Investment income received	0.22	10.86
Dividend received	64.25	55.22
Net Cash used in Investing Activities	(1,203.26)	(442.78)

Consolidated Cash Flow Statement for the year ended 31st March, 2011

	₹ in crores 2010-11	₹ in crores 2009-10
C Cash Flow from Financing Activities		
Proceeds of borrowings	1,481.17	769.61
Proceeds from Issue of Share Capital	363.41	-
Repayment of borrowings	(817.82)	(1,421.97)
Borrowing Costs	(273.93)	(385.84)
Dividends paid including distribution tax	(391.81)	(364.48)
Net Cash generated from / (used in) Financing Activities ...	361.02	(1,402.68)
Net Increase in Cash and Cash equivalents	117.20	144.11
Cash and Cash equivalents as at 1st April	1,158.90	989.85
(Opening Balance)		
Add: Cash and bank balance taken over on acquisition	56.71	114.70
Exchange difference on translation of foreign currency cash and cash equivalents	12.23	(89.76)
Cash and Cash equivalents as at 31st March	1,345.04	1,158.90
(Closing Balance)		

Notes :

1. The below mentioned transactions do not involve cash flow:
 - (i) During the year 2009-10, the Company got notices for conversion of USD 42.756 million FCCBs into ordinary shares at a conversion price of ₹ 230.78 per ordinary share at a fixed exchange rate of ₹ 43.65 = USD1. Pursuant to this, the Company had issued 80,86,912 Ordinary share of Face Value ₹ 10 in the year 2009-10.
 - (ii) Cash and Cash Equivalents include unclaimed dividend of ₹ **9.87 crores** (previous year ₹ 9.32 crores).
 - (iii) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

Mumbai, 23rd May, 2011.

Rajiv Chandan
Company Secretary & Head-Legal

For and on behalf of the Board

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

Tata Chemicals Limited
Schedules forming part of the Consolidated Profit and Loss Account

	₹ in crores	Previous year ₹ in crores
Schedule 1 : Sales and Operating Income		
1. Sales and services: (Item No.1, page 111)		
(a) Sales (Note 7, page 131)	11,102.40	9,567.76
	11,102.40	9,567.76
2. Operating income: (Item No.2, page 111)		
(a) Town income	1.93	2.07
(b) Liabilities no longer required - written back	31.78	21.54
(c) Insurance claims (Note 21, page 139)	38.16	5.85
(d) Miscellaneous income	93.66	65.41
	165.53	94.87

	₹ in crores	₹ in crores	Previous year ₹ in crores
Schedule 2 : Other Income (Item No.3, page 111)			
1. Income from Long Term Trade Investments (Gross):			
(a) Dividend income	26.50		32.95
(b) Profit on sale of investments (net)	16.75		87.71
		43.25	120.66
2. Income from Current Investments (Gross):			
(a) Dividend income	37.75		22.27
(b) Interest Income	0.22		10.86
(c) Profit on sale of investments (net)	0.26		6.80
		38.23	39.93
3. Interest on Refund of Taxes		2.85	5.10
4. Interest received on:			
(a) Inter-corporate loans and bank deposits	3.84		1.14
(b) Other Advances	8.02		1.98
		11.86	3.12
		96.19	168.81

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

Schedule 3 : Manufacturing and Other Expenses (Item No.5, page 111)	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Raw materials consumed		3,050.07	2,534.81
2. Cost of traded goods purchased		1,448.84	728.54
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	629.35		582.58
(b) Contribution to Provident and other Funds	83.72		56.65
(c) Contribution to group insurance scheme	0.03		0.03
(d) Workmen and staff welfare expenditure	106.61		106.76
		819.71	746.02
4. Operation and other expenses:			
(a) Stores and spare parts consumed	157.28		180.03
(b) Packing materials consumed	263.06		209.54
(c) Power and fuel	1,177.79		1,040.66
(d) Repairs - Buildings	4.65		4.53
- Machinery	243.39		224.33
- Others	5.01		3.86
(e) Rent	116.37		118.61
(f) Rates and taxes	122.08		103.73
(g) Excise duty adjustment for stocks (net)	5.45		2.73
(h) Commission, discount and distributors' service charges	111.84		91.85
(i) Sales promotion expenses	116.27		75.77
(j) Insurance charges	25.11		27.28
(k) Freight and forwarding charges	1,140.21		1,014.71
(l) Loss on assets sold or discarded (net)	9.31		15.60
(m) Provision for Doubtful debts and advances written back	(0.19)		(1.04)
(n) Other expenses (Note 22, page 139)	427.75		323.53
		3,925.38	3,435.72
5. Directors' fees / commission		9.50	8.04
6. Change in inventory of work-in-process and finished goods		(46.64)	250.61
		9,206.86	7,703.74
Less: Expenditure transferred to capital account		(10.22)	-
		9,196.64	7,703.74

Schedule 4 : Borrowing Costs (Item No.7, page 111)	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Interest paid on:			
(a) Debentures and fixed loans	299.93		318.99
(b) Other loans	16.28		20.44
(c) Others	4.18		18.20
		320.39	357.63
2. Discounting & other charges		30.44	35.55
Borrowing Costs (1 + 2)		350.83	393.18

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

(Item No.1(a), page 110)

	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Authorised:		
27,00,00,000 Ordinary Shares of ₹ 10 each	270.00	270.00
(31 March, 10 27,00,00,000 Ordinary Shares of ₹ 10 each)		
	<u>270.00</u>	<u>270.00</u>
2. Issued:		
25,48,42,598 Ordinary Shares of ₹ 10 each	254.84	243.34
(31 March,10 24,33,42,598 Ordinary Shares of ₹ 10 each)		
	<u>254.84</u>	<u>243.34</u>
3. Subscribed & paid up:		
25,47,56,278 Ordinary Shares of ₹ 10 each fully paid up	254.76	243.26
(Note 20, page 139)		
(31 March,10 24,32,56,278 Ordinary Shares of ₹ 10 each)		
4. Forfeited Shares:		
Amount paid-up on 86,320 shares	0.06	0.06
	<u>254.82</u>	<u>243.32</u>

Schedule B : Reserves and Surplus

(Item No.1(b), page 110)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ 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:			
Balance as per last account	906.99		673.01
Add / (Less):			
(a) Additions during the year on account of issue of shares	351.90		-
(b) Premium on conversion of FCCBs (Note 18, page 139)	-		178.65
(c) Reversal of provision of redemption premium on conversion of FCCBs	-		45.67
(d) Revaluation of equity portion of FCCBs	-		11.62
(e) Debenture Issue Expenses (net of tax)	-		(1.96)
		<u>1,258.89</u>	<u>906.99</u>
5. Foreign currency translation reserve:			
Balance as per last account	110.22		597.39
Add : Net adjustment during the year	11.76		(487.17)
		<u>121.98</u>	<u>110.22</u>
6. General reserve:			
Balance as per last account	974.59		918.91
(a) Add : Transferred from Profit and Loss Account	53.47		53.58
(b) Add: Foreign Currency Monetary Item Translation Difference	-		2.10
		<u>1,028.06</u>	<u>974.59</u>
7. Debenture redemption reserve:			
Balance as per last account	240.00		240.00
Add: Transferred from Profit and Loss Account	12.50		-
		<u>252.50</u>	<u>240.00</u>
8. Actuarial gains / (losses) (net of tax) (Note 8(d), page 131)			
Balance as per last account	(161.35)		-
Add : Net adjustment during the year	3.03		(161.35)
		<u>(158.32)</u>	<u>(161.35)</u>
9. Other Reserves			
Balance as per last account	6.18		2.58
Add/(Less) : Net adjustment during the year	(0.30)		3.60
		<u>5.88</u>	<u>6.18</u>
10. Balance in Profit and Loss Account	2,666.37		2,374.96
	<u><u>5,196.87</u></u>		<u><u>4,473.10</u></u>

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

Schedule C : Loan Funds - Secured

(Item No.4(a), page 110)

Loans :

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. From Banks :			
(a) Cash Credits	43.23		9.96
(b) Term Loans	2,298.54		1,588.89
		2,341.77	1,598.85
2. Debentures		315.00	240.00
		2,656.77	1,838.85

Schedule D : Loan Funds - Unsecured

(Item No.4(b), page 110)

Short-term loans and advances :

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
(a) From Banks :			
Buyer's credits (Repayable within one year)		110.01	-
Others		-	87.41

Other loans and advances :

(Repayable within one year ₹ 266.98 crores, previous year ₹ 0.22 crore)

(a) From Banks :			
External Commercial Borrowings		2,096.45	2,109.87
Foreign Currency Non Resident (Banking) Loan		116.75	112.25
Others		199.30	112.25
(b) From others		8.48	6.50
(c) 6.44% Senior Notes due in 2017		111.98	326.59
(d) Debentures		400.00	400.00
		3,042.97	3,154.87

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

(Item No.7, page 110)

₹ in crores

Fixed Assets (At Cost)	Gross Block					Depreciation/Amortisation					Impairment as at 31-Mar-11	Net Block as at 31-Mar-11	
	as at 1-Apr-10	Acquisitions during the year	Additions during the year	Deductions/ Adjustments	Exchange Fluctuations	as at 31-Mar-11	as at 1-Apr-10	Acquisitions during the year	For the the year	Deductions/ Adjustments			Exchange Fluctuations
Tangible :													
1. Land :													
(a) Freehold	94.54	36.09	9.61	(17.11)	3.50	126.63	-	-	-	-	-	-	126.63
	73.85	19.60	5.10	(0.20)	(3.81)	94.54	-	-	-	-	-	-	94.54
(b) Leasehold	157.16	0.08	57.38	(1.23)	(1.20)	212.19	14.66	0.08	4.77	(0.43)	(0.11)	18.97	193.22
	108.61	5.96	56.05	(0.02)	(13.44)	157.16	11.10	0.84	3.81	(0.02)	(1.07)	14.66	142.50
2. Works :													
(a) Saltworks,Reservoirs and Pans	45.87	117.89	1.84	-	1.45	167.05	37.65	6.62	4.67	-	0.09	49.03	118.02
	43.21	-	3.24	-	(0.58)	45.87	37.46	-	0.70	-	(0.51)	37.65	8.22
(b) Plant and Machinery	5,825.59	505.73	333.77	(87.61)	87.40	6,664.88	3,345.38	276.82	366.99	(72.58)	53.56	3,970.17	2,482.72
	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	2,284.49
(c) Traction Lines, Railway Sidings and Wagons	241.15	-	5.64	(2.16)	(0.99)	243.64	103.91	-	22.69	(2.05)	(0.60)	123.95	119.69
	264.78	-	1.70	-	(25.33)	241.15	88.91	-	25.27	-	(10.27)	103.91	137.24
(d) Buildings	585.91	167.40	11.59	(2.46)	8.34	770.78	215.80	56.06	23.84	(1.46)	5.25	299.49	467.92
	553.05	56.12	5.67	-	(28.93)	585.91	185.66	18.46	20.70	-	(9.02)	215.80	366.73
3. Other Buildings	229.94	-	1.17	(1.13)	(0.12)	229.86	62.61	-	4.39	(0.33)	(0.04)	66.63	158.74
	218.83	-	15.08	-	(3.97)	229.94	61.15	-	3.95	-	(2.49)	62.61	162.44
4. Water Works	7.85	-	-	(0.38)	-	7.47	6.98	-	0.08	(0.34)	0.01	6.73	0.74
	7.82	-	0.03	-	-	7.85	6.90	-	0.08	-	-	6.98	0.83
5. Furniture, Fitting and Office Equipment	166.11	0.62	10.74	(1.26)	2.27	178.48	116.54	0.40	13.79	(0.85)	1.98	131.86	42.27
	161.05	7.07	8.83	(2.72)	(8.12)	166.11	98.09	3.55	24.79	(3.09)	(6.80)	116.54	45.36
6. Vehicles	53.07	0.70	2.31	(3.78)	0.01	52.31	29.24	0.34	5.67	(3.40)	-	31.85	20.45
	41.92	10.53	7.71	(4.05)	(3.04)	53.07	27.16	3.47	4.09	(3.73)	(1.75)	29.24	23.81
7. Mines & Quarries	28.99	-	-	(0.23)	(0.19)	28.57	1.10	-	0.54	(0.23)	-	1.41	27.16
	32.75	-	-	-	(3.76)	28.99	0.72	-	0.49	-	(0.11)	1.10	27.89
Intangible :													
8. Patents(license fees), trade-marks, rights and software	36.02	6.94	1.45	(0.03)	2.00	46.38	17.53	1.06	3.62	(0.01)	0.33	22.53	23.85
	0.97	16.05	19.79	-	(0.79)	36.02	0.47	14.33	2.74	-	(0.01)	17.53	18.49
Total	7,472.20	835.45	435.50	(117.38)	102.47	8,728.24	3,951.40	341.38	451.05	(81.68)	60.47	4,722.62	3,781.41
	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	3,312.54

NOTES :

- Gross book value and accumulated depreciation include ₹ 33.66 crores and ₹ 13.88 crores (previous year ₹ 21.97 crores and ₹ 18.53 crores) respectively for assets held for sale. The assets held for sale have been valued at lower of carrying value and net realisable value.
- Depreciation for the year includes ₹ Nil (previous year ₹ 0.28 crore) capitalised.
- 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 110)

	₹ in crores	As at 31-Mar-10 ₹ in crores
A LONG TERM INVESTMENTS		
Trade Investments :		
1. Fully paid Equity Shares (Quoted)	159.36	163.14
2. Fully paid Equity Shares (Unquoted)	270.13	178.55
3. Partly paid Equity Shares (Unquoted)	-	0.08
4. Fully paid Cumulative Redeemable Preference Shares (Unquoted)	20.00	20.00
TOTAL	449.49	361.77
Less: Provision for diminution in value of investments	2.09	2.34
TOTAL LONG TERM INVESTMENTS (net)	447.40	359.43
B CURRENT INVESTMENTS		
1. Fully paid Equity Shares (Unquoted)	0.25	0.25
2. Units of Mutual Funds (Unquoted)	0.25	197.98
TOTAL CURRENT INVESTMENTS	0.50	198.23
TOTAL INVESTMENTS	447.90	557.66

	Book Value ₹ in crores	Market Value ₹ in crores	Book Value ₹ in crores	Market Value ₹ in crores
Aggregate of Quoted Investments (net of provision)	159.36	1,132.20	162.89	993.11
Aggregate of Unquoted Investments (net of provision)	288.54		394.77	

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

(Item No.12(a), page 110)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Stores and spare parts, packing materials		197.24	183.13
2. Stock-in-Trade :			
(a) Raw materials	502.09		387.44
(b) Work-in-process	59.84		46.73
(c) Finished goods	386.42		341.42
		948.35	775.59
		1,145.59	958.72

Schedule H : Sundry Debtors

(Item No.12(b), page 110)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Over six months old :			
- Considered good	304.93		166.34
- Considered doubtful	33.46		37.39
		338.39	203.73
2. Others :			
- Considered good	1,060.42		944.74
- Considered doubtful	0.89		0.90
		1,061.31	945.64
		1,399.70*	1,149.37*
Less : Provision for doubtful debts		34.35	38.29
		1,365.35	1,111.08
[Including subsidy receivable of ₹ 586.42 crores (previous year ₹ 474.40 crores)]			
* Of the above debts			
(a) Fully secured		12.12	11.83
(b) Unsecured		1,387.58	1,137.54
		1,399.70	1,149.37

Schedule I : Cash and Bank Balances

(Item No.12 (c), page 110)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Cash & Cheques on hand		4.93	11.99
2. Balance with banks in			
(a) Current accounts		466.67	973.45
(b) Deposit accounts		873.44	173.46
		1,345.04	1,158.90

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

Schedule J : Loans and Advances

(Item No.12(d), page 110)
(unsecured)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Deposits with Government, public bodies and others :			
(a) Balances with Customs, Port Trusts ,Excise etc.		49.18	49.17
(b) Others		30.75	18.19
2. Advance payment of taxes (net of provision)		167.88	69.50
3. Interest accrued on Investments		-	1.46
4. Other advances			
- Considered good	534.13		404.19
- Considered doubtful	45.24		45.87
	579.37		450.06
Less: Provision for doubtful advances	45.24		45.87
		534.13	404.19
		781.94	542.51

Schedule K : Current Liabilities

(Item No.13(a), page 110)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Acceptances	473.53		428.59
2. Sundry creditors	1,182.32		1,037.70
3. Sundry deposits	42.27		44.83
4. Pension payable on Employee Separation Scheme	1.79		2.35
(Note 16, page 138)			
5. Interest accrued but not due on loans	121.72		44.69
6. Advance from Customers	75.66		106.10
7. Other Liabilities	429.05		443.01
	2,326.34		2,107.27

Schedule L : Provisions

(Item No.13(b), page 110)

	₹ in crores	₹ in crores	As at 31-Mar-10 ₹ in crores
1. Proposed dividend	254.76		218.93
2. Tax on dividend	39.87		36.36
3. Provision for site restoration expenditure	122.52		115.18
(Note 11(b), page 136)			
4. Provision for Tax (net of advances)	12.93		29.27
5. Provision for employee benefits	887.83		904.86
6. Others (Note 11(c), page 136)	2.18		2.18
	1,320.09		1,306.78

Seventy Second Annual Report 2010-2011
Tata Chemicals Limited
Schedule M : Notes on the Consolidated Balance Sheet and the Consolidated 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, 2011.
- 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 the applicable Accounting Standard in India.
- II. Interests in joint ventures have been accounted by using the proportionate consolidation method as per the applicable Accounting Standard in India. The intra - group balances and intra - group transactions and unrealised profits are eliminated to the extent of the Company's proportionate share.
- III. The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures are made is recognised in the financial statements as "Goodwill on Consolidation".
- IV. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- V. The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.
- VI. 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 subsidiaries is absorbed by the Group.

c) Particulars of subsidiaries and joint ventures :

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2011
Subsidiaries		
Rallis India Limited	India	50.06%
Rallis Chemistry Exports Limited	India	100%
Metahelix Life Sciences Ltd*	India	60.21%
Dhaanya Seeds Ltd*	India	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	United States of America	100%
General Chemicals (Soda Ash) Partners	United States of America	75%
GCSAP Holdings	United States of America	75%
GCSAP LLC	United States of America	75%
General Chemical Canada Holding Inc.	Canada	100%
GCSAP Canada Inc	Canada	75%

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

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2011
Subsidiaries		
Homefield Pvt. UK Limited	United Kingdom	100%
Homefield 2 UK Limited*	United Kingdom	100%
Tata Chemicals (Europe) Holding Limited*	United Kingdom	100%
Brunner Mond Group Limited	United Kingdom	100%
Brunner Mond (UK) Limited	United Kingdom	100%
Brunner Mond Limited	United Kingdom	100%
The Magadi Soda Company Limited	United Kingdom	100%
Northwich Resource Management Limited	United Kingdom	100%
Brunner Mond Generation Company Limited	United Kingdom	100%
Tata Chemicals Africa Holding Limited**	United Kingdom	100%
Gusiute Holdings (UK) Limited	United Kingdom	100%
General Chemical (Great Britain) Limited	United Kingdom	100%
British Salt Limited*	United Kingdom	100%
Cheshire Salt Holdings Limited*	United Kingdom	100%
Cheshire Salt Limited*	United Kingdom	100%
Brinefield Storage Limited*	United Kingdom	100%
Broomco (4118) Limited*	United Kingdom	100%
Broomco (4119) Limited*	United Kingdom	100%
Broomco (4120) Limited*	United Kingdom	100%
Cheshire Cavity Storage 2 Limited*	United Kingdom	100%
Cheshire Compressor Limited*	United Kingdom	100%
Irish Feeds Limited*	United Kingdom	100%
New Cheshire Salt Works Limited*	United Kingdom	100%
Brunner Mond B.V.	Netherlands	100%
Homefield International Pvt. Limited	Mauritius	100%
Wyoming 1 (Mauritius) Pvt. Limited	Mauritius	100%
Wyoming 2 (Mauritius) Pvt. Limited	Mauritius	100%
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Mauritius	100%
Bio Energy Venture - 2 (Mauritius) Pvt. Ltd.	Mauritius	100%
Grown Energy Zambeze Holdings Pvt. Ltd.	Mauritius	100%
Tata Chemicals Asia Pacific Pte. Limited	Singapore	100%
Rallis Australasia Pty Limited #	Australia	100%
Brunner Mond (South Africa) Pty Limited	South Africa	100%
Grown Energy (Proprietary) Limited*	South Africa	100%
Magadi Railway Company Limited	Kenya	100%
Grown Energy Zambeze Limitada*	Mozambique	95%
* Companies which became subsidiaries / incorporated during the year.		
** Name of Transcontinental Holdings Limited changed w.e.f. December 12, 2010.		
# Has applied for voluntary liquidation as of 31 st March, 2011. The Company expects to recover amount higher than the carrying value of the investment.		
Joint Ventures		
Khet-Se Agriproduce India Pvt. Limited	India	50.00%
Alcad	United States of America	50.00%
The Block Salt Company Limited*	United Kingdom	50.00%
Kemex B.V.	Netherlands	49.99%
Joil (S) Pte. Ltd and its subsidiary	Singapore	33.78%
Indo Maroc Phosphore S. A.	Morocco	33.33%
Lake Natron Resources Limited (upto 15th December 2009)	Tanzania	50.00%
* Joint Venture arising out of acquisition during the year.		

Tata Chemicals Limited**Schedule M : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)****2 Significant Accounting Policies :****(a) Basis of Accounting**

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

(b) Use of Estimates

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

(c) Fixed Assets and Intangibles

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

Fixed Assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in project cost till 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 the 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 31st 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.

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

(h) Inventories

Inventories are valued at lower of the cost on weighted average basis (except two foreign subsidiaries and two JVs which are on FIFO basis constituting 10% (previous year 10%) of the total inventory value) and net realisable value after providing for obsolescence and other losses, where considered necessary. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Employee Separation Compensation

- (i) Compensation paid / payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected.
- (ii) Liability under "Early Separation Scheme" is computed and accounted at the Net Present Value.
- (iii) Compensation paid / payable to employees who have opted for retirement under Voluntary Retirement Scheme including ex-gratia is charged to Profit and Loss Account in the year of separation.

(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 6% of the net block of machinery and equipment of the Group (previous year 7%) and 100% of the net block of mines and quarries of the Group (previous year 100%) are depreciated using the units-of-production method.
- (ii) Leasehold land is amortised over the duration of the lease.

(n) Impairment of Assets

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

(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 are considered as a defined benefit plans.

- (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.

Tata Chemicals Limited

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

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, Directors' Pension Liabilities and Family Benefit Scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the 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 retirement benefit plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency as at the year end.

Family Benefit Scheme is an unfunded defined benefit plan. The benefits of the plan accrue to eligible employees at the time of death or permanent disablement while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 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 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 No. 131)

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

(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

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

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

(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 the Profit and Loss Account, over the tenure of the loan. Borrowing costs to the extent directly attributable 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:

(a) Information about Primary Business Segments

(₹ in crores)

	Inorganic Chemicals		Fertiliser		Others Agri Inputs		Others		Elimination		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue :												
External (Net of Excise)	5,377.84	5,376.38	4,295.51	3,637.92	1,170.13	420.83	51.14	13.55	-	-	10,894.62	9,448.68
Inter-segment	41.67	16.80	-	-	3.13	-	-	-	(44.80)	(16.80)	-	-
Total Revenue	5,419.51	5,393.18	4,295.51	3,637.92	1,173.26	420.83	51.14	13.55	(44.80)	(16.80)	10,894.62	9,448.68
Result :												
Segment Result	890.20	970.87	439.27	373.16	181.40	54.81	(31.72)	(15.12)	-	-	1,479.15	1,383.72
Unallocated expenditure net of Unallocated income											7.36	57.64
Borrowing Costs											350.83	393.18
Profit before Tax											1,120.96	932.90
Provision for Tax											(274.92)	(209.32)
Profit after Tax before Minority Interest											846.04	723.58

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

(₹ in crores)

	Inorganic Chemicals		Fertiliser		Others Agri Inputs		Others		Unallocated		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Assets	9,967.15	9,183.03	2,303.37	1,842.22	1,196.90	814.53	151.87	113.15	1,752.89	1,716.03	15,372.18	13,668.96
Segment Liabilities	2,067.43	2,189.29	859.47	561.56	351.97	281.91	18.92	15.05	6,216.25	5,554.67	9,514.04	8,602.48
Capital Expenditure	294.98	368.33	139.22	60.08	158.44	119.32	19.39	25.11	7.52	6.84	619.55	579.68
Depreciation and amortisation	308.65	307.43	116.19	125.81	17.48	6.13	4.08	2.91	4.65	4.50	451.05	446.78
Impairment of assets (net of reversal)	10.08	37.27	-	-	-	-	-	-	-	-	10.08	37.27
Amortisation of Foreign Currency Monetary Translation Difference	-	-	-	-	-	-	-	-	0.03	108.28	0.03	108.28
Non-cash Expenses other than Depreciation & impairment	(0.21)	(1.13)	0.02	0.09	-	-	-	-	-	-	(0.19)	(1.04)

(b) Information about Secondary Geographical Segments
Revenue by geographical market

(₹ in crores)

	Asia		Europe		Africa		America		Others		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
External Segment Assets	7,850.96	6,297.32	1,203.39	1,313.44	146.30	190.74	1,683.95	1,643.56	10.02	3.62	10,894.62	9,448.68
Capital Expenditure	482.13	323.04	72.96	83.12	15.08	90.49	49.38	83.03	-	-	619.55	579.68

(c) Notes:

(i) Management has identified three reportable business segments, namely :

- Inorganic Chemicals : - comprising of Soda Ash, Marine Chemicals, Caustic Soda, Cement and Bulk Chemicals & Salt.
- Fertilisers : - comprising of fertilisers including Urea & Phosphatic.
- Other Agri Inputs : - comprising of other Agricultural inputs.

Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.

(ii) The Segment Revenue in the geographical segments considered for disclosure is as follows :

- Asia : comprising of sales to customers located in Asia.
- Europe : comprising of sales to customers located in Europe.
- Africa : comprising of sales to customers located in Africa.
- America : comprising of sales to customers located in America.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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

4 Earnings per Share :

		2010-11	2009-10
(a) Profit after tax	₹ in crores	653.47	605.91
(b) The weighted average number of equity shares of ₹ 10 each			
Total number of shares	Nos.	25,03,45,319	23,65,65,189
(c) Earning Per Share (Basic)	₹	26.10	25.61
(d) Profit after tax for Basic EPS	₹ in crores	653.47	605.91
(e) Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gains/(losses) and taxes)	₹ in crores	-	18.97
(f) Profit after tax for Diluted EPS	₹ in crores	653.47	624.88
(g) The weighted average number of equity shares for Basic EPS	Nos.	25,03,45,319	23,65,65,189
(h) Add: Adjustments for Foreign Currency Convertible Bonds	Nos.	-	66,91,089
(i) The weighted average number of equity shares for Diluted EPS	Nos.	25,03,45,319	24,32,56,278
(j) Earning Per Share (Diluted)	₹	26.10	25.61*

* anti-dilutive, hence restricted to basic EPS

5 Related Party Disclosure :

(a) Related Party and their relationship

Joint Ventures

Khet-Se Agri Produce India Pvt. Ltd., India

Alcad, U.S.A.

(indirectly through Valley Holdings Inc, U.S.A.)

The Block Salt Company Limited, U.K.

(Indirectly through Cheshire Salt Holdings Limited, U.K.)

Kemex B.V., Netherlands

(indirectly through Brunner Mond Group Ltd, U.K.)

Joil (S) Pte. Ltd (Singapore)

(Indirectly through Tata Chemicals Asia Pacific Pte Ltd, Singapore)

Indo Maroc Phosphore S. A., Morocco

Key Management Personnel

Mr. R. Mukundan, Managing Director

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

Mr. Kapil Mehan, Executive Director (upto 31st August, 2010)

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

(₹ in crores)

	Indo Moroc Phosphore S.A.	Kemex B.V.	Alcad	Khet-se Agri Produce Pvt. Ltd.	Joil (S) Pte. Ltd	The Block Salt Company Limited	Key Mangement Personnel	Total
Purchase of goods - net (includes stock in transit)	393.22 261.48	- -	54.87 69.62	- -	- -	- -	- -	448.09 331.10
Sale of goods	- -	1.98 5.78	- -	- -	- -	1.34 -	- -	3.32 5.78
Interest Paid	0.25 1.64	- -	- -	- -	- -	- -	- -	0.25 1.64
Amount Received (in respect of loans)	- -	- -	- -	- -	- -	- -	- 0.01	- 0.01
Amount Payable (in respect of goods purchased)	131.52 98.20	- -	5.69 5.79	- -	- -	- -	- -	137.21 103.99
Amount receivable in respect of loans	- -	- -	- -	- -	- -	- -	0.02 0.02	0.02 0.02
Amount payable (in respect of loans)	- -	- -	- -	0.14 0.13	- -	- -	- -	0.14 0.13
Maximum Amount outstanding during the year	231.54 -	- -	- -	0.86 0.26	- -	- -	- 0.03	232.40 0.29
Provision for management services	0.11 0.07	- -	- 4.50	- -	- -	- -	- -	0.11 4.57
Amounts received / receivable on account of any Management Contracts including for deputation of employees	- -	- -	- -	- 0.09	- -	0.14 -	- -	0.14 0.09

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:

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10	As at 31-Mar-11	As at 31-Mar-10
	Deferred Tax Liability		Deferred Tax Asset*	
Deferred Tax Assets :				
Provision for doubtful debts and advances	23.66	8.70	-	20.81
Provision for employee benefits	99.67	11.62	102.42	216.83
Exchange Differences	79.31	89.44	15.39	-
Other timing differences	10.76	4.31	51.80	44.31
	213.40	114.07	169.61	281.95
Deferred Tax Liability :				
Depreciation	318.92	291.82	6.14	58.03
Other timing differences	53.14	12.64	-	47.38
Asset Retirement Obligations	9.21	-	-	-
	381.27	304.46	6.14	105.41
Net deferred tax asset/(liability)	(167.87)	(190.39)	163.47	176.54

*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 ₹ 2,376.73 crores (previous year ₹ 2,059.69 crores).

8 Employee Benefit Obligations :

- The Company makes contribution towards provident fund a defined benefit retirement plan and towards pension fund and superannuation fund a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.
- 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, 2011. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Tata Chemicals (Europe) Holdings Limited operates pension arrangements in United Kingdom (UK) and Tata Chemicals (Africa) Holdings Limited operates pension arrangement in Africa. The UK arrangement is a defined benefit scheme and the arrangement in Africa is a defined contribution scheme.
- The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation. The Management is of the view that due to volatility and structure of the overseas pension funds, it is not considered practicable to adopt a common accounting policy and deviation is as permitted by AS 21. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the Profit and Loss Account been followed, the consolidated net profit before tax and net profit after tax and minority interest would have been higher/(lower) by amounts as per table below.

(₹ in crores)

Sr. No.	Impact on :	Year Ended 31st March, 2011	Year Ended 31st March, 2010
1	Consolidated Net profit before tax	22.33	(252.37)
2	Consolidated Net profit after tax & minority interest	3.03	(161.35)

Tata Chemicals Limited
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 Group's financial statements as at 31st March, 2011 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.

(₹ in crores)

	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	As at 31-Mar-11				As at 31-Mar-10			
(i) Changes in the defined benefit obligation:								
Projected defined benefit obligation, beginning of the year	71.91	45.66	2,074.55	150.74	49.64	27.58	1,812.32	163.29
Current service cost	4.07	1.18	23.04	1.44	3.51	1.04	17.43	1.61
Interest cost	5.86	3.66	121.82	8.77	4.36	2.67	115.74	10.49
Net actuarial (gain) / loss	(3.29)	1.50	(4.57)	(7.41)	1.78	0.69	549.21	1.45
Benefits paid	(6.28)	(3.18)	(93.13)	(6.50)	(4.29)	(2.05)	(234.15)	(7.02)
Past Service Cost	0.83	-	-	-	3.58	-	-	-
Exchange Variation	-	-	73.59	(0.94)	-	-	(186.00)	(19.08)
Recognised on Acquisition	0.45	-	149.58	-	13.33	15.73	-	-
Projected defined benefit obligation, end of the year	73.55	48.82	2,344.88	146.10	71.91	45.66	2,074.55	150.74
(ii) Changes in the fair value of plan assets:								
Fair value of plan assets, beginning of the year	70.50	-	1,444.81	-	50.87	-	1,332.65	-
Expected return on plan assets	5.72	-	113.08	-	4.75	-	102.44	-
Employer's contributions	6.59	3.18	71.10	6.50	5.35	1.34	60.97	7.02
Net actuarial gain / (loss)	(4.40)	-	0.17	-	0.28	-	298.29	-
Benefits paid	(6.28)	(3.18)	(93.13)	(6.50)	(4.29)	(1.34)	(224.36)	(7.02)
Exchange Variation	-	-	51.96	-	-	-	(125.18)	-
Recognised on Acquisition	0.37	-	149.58	-	13.54	-	-	-
Fair value of plan assets, end of the year	72.50	-	1,737.57	-	70.50	-	1,444.81	-
Liability (net) before capping adjustment	1.05	48.82	607.31	146.10	1.41	45.66	629.74	150.74
Adjustment to cap surplus*	-	-	2.87	-	-	-	-	-
Liability (net) after capping adjustment	1.05	48.82	610.18	146.10	1.41	45.66	629.74	150.74

* The Group has not recognised the actuarial surplus incase of one of its overseas subsidiaries acquired during the year, amounting to ₹ 2.87 crores (previous year ₹ Nil) in view of the fact that it does not expect to benefit from reduced contributions or refunds from the scheme in the future.

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

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

(₹ in crores)

	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	31-Mar-11				31-Mar-10			
Current service cost	4.07	1.18	23.04	1.44	3.51	1.04	17.43	1.61
Interest defined benefit obligation	5.86	3.66	121.82	8.77	4.36	2.67	115.74	10.49
Expected return on plan assets	(5.72)	-	(113.08)	-	(4.75)	-	(102.44)	-
Net actuarial (gain) / loss recognised in the year	1.11	1.50	10.18	-	1.81	0.69	-	-
Past Service Cost	0.83	-	-	-	3.58	-	-	-
Net benefit expense	6.15	6.34	41.97	10.21	8.51	4.40	30.73	12.10
Net actuarial (gain) / loss recognised in reserves	-	-	(14.92)	(7.41)	-	-	250.92	1.45
Actual Return on Plan Assets	1.32	-	113.25	-	5.03	-	400.73	-

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

	Domestic %		Overseas %	
	Domestic %	Overseas %	Domestic %	Overseas %
	31-Mar-11		31-Mar-10	
Government Securities	54	4	41	1
Corporate Bonds	30	35	20	33
Equity Shares of Listed Companies	5	52	3	56
Insurer Managed/Hedged Funds	5	5	33	5
Others	6	4	3	5
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% to 8.5% 8.20%	8% to 8.5% 8.20%	5.69% 5.90%	5.69% 5.90%	5.50% 5.90%
Expected rate of return on plan assets	8% to 10% 8.50%	NA NA	8.00% 8.00%	NA NA	7.05% 7.05%
Increase in Compensation cost	7.5% for 2 years, 10% for third year & 7.5% thereafter 7.5% for 2 years, 10% for third year & 7.5% thereafter	NA NA	Varies by plan Varies by plan	NA NA	NA NA
Healthcare cost increase rate	NA NA	6.00% 6.00%	NA 9-11%	8.50% 9-11%	NA NA
Pension increase rate	NA NA	5.00% 5.00%	NA NA	NA NA	3.60% 3.60%

- Discount rate for the domestic plans is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.
- The figures in light print are for previous year.
- The details of the Company's post-retirement and other benefit plans for its employees given above, are certified by the actuaries and relied upon by the Auditors.

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Tata Chemicals Limited
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:-

(₹ in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Kemex B.V.		ALCAD		Joil (S) Pte. Ltd.		The Block Salt Company Ltd	
	India		Morocco		Netherlands		United States of America		Singapore		United Kingdom	
Country of Incorporation												
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		33.78%		50.00%	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
LIABILITIES												
Loan Funds	2.89	3.97	-	2.27	2.23	2.11	-	-	-	-	-	-
Current Liabilities	1.29	1.65	120.95	39.89	0.11	0.59	6.03	6.14	0.40	0.35	2.27	-
ASSETS												
Fixed Asset-Net Block	4.37	4.73	61.40	58.39	-	-	-	-	16.75	16.92	1.70	-
Current Assets	0.80	2.44	269.47	161.36	0.24	2.54	8.47	8.62	29.81	25.58	3.03	-
INCOME												
Sales and												
Operating income	4.74	3.59	442.44	369.85	0.76	5.76	89.71	112.43	0.07	0.03	2.21	-
Other Incomes	0.02	0.01	4.76	1.45	-	-	-	-	0.22	0.04	-	-
EXPENDITURE												
Manufacturing and												
other expenses	7.30	5.09	389.51	310.95	1.93	5.79	58.46	74.11	5.41	3.95	1.91	-
Interest expense	0.35	0.28	2.29	1.36	-	-	-	-	-	-	-	-
Depreciation	0.36	0.36	10.00	24.53	-	-	-	-	2.12	2.56	0.14	-
Provision for Tax	-	-	8.55	4.62	0.16	(0.15)	-	-	-	-	-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(3.25)	(2.13)	36.85	29.84	(1.33)	0.12	31.25	38.32	(7.24)	(6.44)	0.16	-
CONTINGENT LIABILITIES	-	0.10	-	-	-	-	-	-	4.98	-	-	-
CAPITAL COMMITMENTS	-	-	-	4.43	-	-	-	-	15.92	16.56	-	-

- 10 Acquisitions made during the year:-

- During the year, the Company, through its wholly owned overseas subsidiaries, has acquired 100% stake in Grown Energy (PTY) Ltd., South Africa for a total consideration of USD 1.10 million (approx. ₹ 4.94 crores).
- In January 2011, the Company, through its wholly owned overseas subsidiaries, acquired 100% stake in British Salt held through Cheshire Salt Holdings Limited, UK, for a total consideration of GBP 93 million (approx. ₹ 650 crores).
- Rallis India Limited, a subsidiary of the Company, acquired a majority stake (60.21%) in Metahelix Life Sciences Private Limited (now Metahelix Life Science Limited) on 30th December, 2010 for a total consideration of ₹ 126.28 crores.

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

The financial positions and results of the above acquired entities which are included in the consolidated financial statements are as given below:

(₹ in crores)

PARTICULARS	Grown Energy (PTY) Ltd. (Group)	Cheshire Salt Holdings Limited (Group)*	Metahelix Life Sciences Private Limited (Group)
	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-11
LIABILITIES			
Loan Funds	20.61	-	24.85
Capital Grant	-	-	-
Current Liabilities	-	418.44	27.24
Deferred Tax Liabilities (Net)	-	-	-
ASSETS			
Goodwill on consolidation	-	102.56	-
Fixed Asset-Net Block	7.14	373.74	16.43
Investments	-	1.21	-
Deferred Tax Asset (Net)	-	1.19	-
Current Assets	3.37	140.51	41.05
INCOME			
Total Income	-	85.13	19.36
EXPENDITURE			
Manufacturing and other expenses	3.67	56.04	16.71
Interest Expense	-	12.55	0.66
Depreciation and amortisation	0.10	5.55	0.32
Provision for Tax	-	0.50	0.68
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD	(3.77)	10.49	0.99

* Cheshire Salt Holdings Ltd. (CSHL) financial statements reflects a receivable of GBP 5.8 million (₹ 41.64 crores) towards deferred consideration and GBP 2.2 million (₹ 15.79 crores) towards associated capitalised cost, in respect of sale of cavity storage business sold in 2009. As per the terms of sale purchase agreement, CSHL (post acquisition) shall act purely as an agent whereby the above payment received shall be directly passed to the vendors, without CSHL bearing any risk associated with the transaction. The above balances have been accordingly off-set in the Consolidated Financial Statements.

Tata Chemicals Limited
Schedule M : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)
11 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)

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
Opening Balance	-	46.52
Less :- Reversal of Provision for Premium on conversion of FCCBs	-	(45.30)
Payment of premium on Repayment of FCCBs	-	(1.11)
Exchange Difference	-	(0.11)
Closing Balance	-	-

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 :

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
Opening Balance	115.18	123.04
Add : Provision during the year	16.84	-
Less : Payments / Reversal during the year	9.59	-
Add /(Less): Exchange Difference	0.09	(7.86)
Closing Balance	122.52	115.18

- (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):

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
Opening Balance	2.18	-
Add : Provision during the year	-	2.18
Less : Payments / Reversal during the year	-	-
Closing Balance	2.18	2.18

12 Derivative Instruments :

- (a) As on 31st March, 2011, the Group has the following derivative instruments outstanding:
- (i) Forward currency exchange contracts USD-INR amounting to **USD 24.67 million** (previous year USD Nil) for the purpose of hedging its exposures to foreign currency loans.
 - (ii) Forward currency exchange contracts USD-INR amounting to **USD 115.84 million** (previous year USD 89.33 million) and USD-JPY contracts amounting to **JPY 185.87 million** (previous year JPY 341 million) for the purpose of hedging its exposures to foreign currency acceptances.
 - (iii) Forward currency exchange contracts **USD-INR 58.16 million, EUR-INR 2.60 million & EUR-USD 0.45 million** for the purpose of hedging highly probable forecast transactions (previous year USD Nil).
 - (iv) Forward currency exchange contracts USD-INR amounting to **USD Nil** (previous year USD 3.6 million) and AUD-USD amounting to **AUD Nil** (previous year AUD 0.88 million) for the purpose of hedging its exposures to foreign currency receivables.
 - (v) Accounts payable **USD Nil, CHF Nil and EUR Nil** (previous year USD 2.89 million, CHF 0.19 million and EUR 0.19 million)

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

- (vi) Currency options contracts USD-INR amounting to **USD 78 million** (previous year USD 26 million) with an intent to hedge its exposures to foreign currency loans and USD-INR amounting to **USD 5.90 million** (previous year USD 8.85 million) with intention to hedge foreign currency receivables.
 - (vii) Full Currency Swap to hedge against fluctuations in exchange rates **USD 76 million** (previous year Notional principal USD 76 million)
 - (viii) Cross Currency Swap to hedge against fluctuations in exchange rates and Interest rates **USD 475 million** (previous year USD 475 million)
 - (ix) Commodity forward contracts amounting to **GBP 3.09 million** (previous year GBP Nil) to reduce the fluctuation in natural gas and **USD Nil** (previous year USD 0.30 million) to hedge fuel.
 - (x) Long Term Forward Contract **USD - INR 71 million** (previous year USD-INR 35 million) to hedge against fluctuation in exchange rates for the purpose of hedging its exposure to foreign currency long term loans.
 - (xi) Interest rate swap to hedge the exposure to floating interest rate liability - **USD 139.74 million** (previous year USD 160.10 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 13.63 million, EUR 0.05 million and AUD 1.27 million** (previous year USD 12.78 million, EUR 0.05 million and AUD 0.12 million)
 - (ii) Acceptances **USD Nil** (previous year USD 8.78 million)
 - (iii) Accounts payable **USD 29.28 million, EUR 0.11 million, AUD 0.02 million and JPY 254.57 million.** (previous year USD 128.31 million, EUR 0.21 million, AUD 0.02 million and JPY Nil)
 - (iv) Customer advances **USD 0.32 million** (previous year USD 0.29 million).
 - (v) Liability arising out of cross currency swap **USD 275 million** (previous year USD 382 million).
 - (vi) Packing credit **USD 0.82 million** (previous year USD Nil).
- 13** (a) Estimated amount of contracts remaining to be executed on capital account and not provided for **₹ 213.34 crores** (previous year ₹ 182.22 crores)
- (b) Capital commitment towards investment in joint ventures **₹ 72 crores** (previous year ₹ 85.44 crores).
- (c) During the year, one of the subsidiary group acquired a majority of the equity shares of Metahelix Life Sciences Limited (Metahelix). Besides, the shares already acquired, it has made the following commitments:
- (i) to acquire from certain shareholders (other than founder shareholders) 16,099 equity shares held by them for an amount aggregating ₹ 31.49 crores;
 - (ii) to allow the founder shareholders, a put option exercisable over a period of 5 years, 14,055 shares held by them for an amount aggregating ₹ 27.49 crores;

At the end of 5 years, the subsidiary group has a call option to acquire the balance shares held by founder shareholders, at the fair market value as at the date of exercise.

14 Contingent Liabilities :

(a) Guarantees:

- (i) Bank Guarantees issued by Banks on behalf of the Group **₹ 195.79 crores** (previous year ₹ 93.74 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.

During the year, a Bank Guarantee was issued by a Bank on behalf of one of the overseas subsidiary in favour of Mauritius Revenue Authorities (MRA) for MUR 3.5 million (₹ 0.56 crore) against Notice of Assessment issued by MRA against which objection are filed. In all probabilities, the management is of the opinion that the objection will be decided in favour of the said subsidiary and demand will be deleted.

- (ii) Guarantees provided to third parties on behalf of subsidiaries **USD 138.30 million (₹ 616.75 crores)** (previous year USD 136.80 million (₹ 614.23 crores)).

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Tata Chemicals Limited
Schedule M : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)
(b) Claims not acknowledged by the Group relating to the following areas :

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
(i) Excise and Customs	79.02	95.27
(ii) Sales Tax / VAT	100.23	42.57
(iii) Demand for utility charges	56.83	57.41
(iv) Labour and other claims against the Group not acknowledged as debt	7.99	2.55
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	305.07	245.69
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	37.33	38.73
(vii) Uncalled partly paid shares held as investments	-	0.04
(vi) Others	5.34	4.97

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

(d) Bills discounted by subsidiaries ₹ 79.56 crores (previous year ₹ 72.10 crores)

(₹ in crores)

	As at 31-Mar-11	As at 31-Mar-10
15 Operating Leases		
(a) Total of minimum lease payments	223.72	293.71
The total of minimum lease payments for a period:		
Not later than one year	63.79	63.66
Later than one year and not later than five years	141.26	150.25
Later than five years	18.67	79.80
(b) Lease payments recognised in the statement of profit and loss for the year	66.75	87.70

(c) The lease deposit of ₹ 25 crores (previous year ₹ 25 crores) for plant and machinery remaining with the lessors is provided over the useful life of the asset and, consequently, a net amount of ₹ 2.17 crores (previous year ₹ 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 31st March, 2011 Plant & Machinery includes assets held under finance lease with a net book value of ₹ 32.83 crores (previous year ₹ 32.73 crores) and gross book value of ₹ 40.99 crores (previous year ₹ 38.85 crores) and vehicles includes assets purchased under hire purchase arrangements with fair value amounting to ₹ 3.19 crores (previous year ₹ 4.06 crores). The future minimum lease payments under finance leases are as follows-

- (i) Not later than one year- ₹ 10.35 crores (previous year ₹ 7.13 crores)
- (ii) Later than one year but not later than five years- ₹ 12.86 crores (previous year ₹ 20.45 crores)
- (iii) Later than five years- ₹ Nil (previous year ₹ 0.27 crore)

16 (a) Provision for compensation under Employee Separation Scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.

(b) An amount of (₹ 0.56 crore) (previous year ₹ 0.27 crore) is payable under the scheme within one year.

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

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

- 18** During the year 2009-10, the Company got notices for conversion of USD 42.756 million FCCBs into ordinary shares at a conversion price of ₹ 230.78 per ordinary share at a fixed exchange rate of ₹ 43.65 = USD1. Pursuant to this, the Company had issued 80,86,912 Ordinary shares of Face Value ₹ 10 in the year 2009-10.
- 19** During the year ended 31st March, 2009 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 ₹ Nil (net of tax) (previous year ₹ 7.89 crores) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).
- 20** Based on approval of the members of the Company, in August 2010, the Company has issued 1,15,00,000 equity shares on a preferential basis to Tata Sons Limited (the promoter entity).
- 21 Insurance claim**
- (a) Insurance claims includes ₹ **36.09 crores** towards estimated loss of profit for the year ended 31st March, 2011 pertaining to Company's Fertilizer Plant at Babrala (on account of temporary disruption due to fault in Synthesis Converter in the ammonia plant upto 31st August, 2010).
- (b) The devastating rain fall coupled with cyclonic wind in the months of July & August 2010 in and around Mithapur plant, the stocks of salt, Soda Ash and also the salt works were damaged due to flooding of water. The Company has adequate coverage towards cost of damaged property and stock. The work for the restoration of property is in progress and Insurance claims for both the damages have been lodged. The claim for loss of stocks ₹ **2.04 crores** has been recognized in the books, based on the estimates.
- 22** Other expenses ₹ **427.75 crores** (previous year ₹ 323.53 crores) include Auditors' remuneration:

	(₹ in crores)	
	2010-11	2009-10
(i) For services as auditors (includes ₹ 0.03 crore to cost auditors (previous year ₹ 0.03 crore))	7.63	8.07
(ii) For tax matters	2.79	1.19
(iii) For other services (includes ₹ 0.01 crore to cost auditors (previous year ₹ 0.01 crore))	2.14	0.88
(iv) Reimbursement of travelling and out-of-pocket expenses (includes ₹ * to cost auditors (previous year ₹ 0.01 crore))	0.14	0.04
(v) Service Tax (includes ₹ * to cost auditors (previous year ₹ 0.01 crore))	0.27	0.23
Total	12.97	10.41

- 23** Asterisk (*) denotes figures below ₹ 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	<i>Chairman</i>
R. Gopalakrishnan	<i>Vice-Chairman</i>
Nusli N. Wadia	} <i>Directors</i>
Prasad R. Menon	
Nasser Munjee	
Dr. Yoginder Alagh	
Dr. Y. S. P. Thorat	
Eknath A. Kshirsagar	} <i>Managing Director</i>
R. Mukundan	
P. K. Ghose	

Mumbai, 23rd May, 2011.

Rajiv Chandan
Company Secretary & Head-Legal

Seventy Second Annual Report 2010-2011

FINANCIAL STATISTICS - STANDALONE

Year	CAPITAL ACCOUNTS										REVENUE ACCOUNTS									
	Share Capital	Reserves	Borrowings	Capital Employed	Gross Block	Depreciation	Net Block	Gross Revenue	Expenses	Depreciation	Profit before Taxes	Taxes	Distributable profit for the year	Dividends (including Dividend Tax)	Earnings per Ordinary Share (Basic)	Dividend per Ordinary Share	Net Worth per Ordinary Share			
₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹	₹	₹			
1944-45	152	8	69	229	186	7	179	16	29	—	(13)	—	—	—	—	8.11				
1949-50	152	10	126	288	240	17	223	116	107	9	—	—	—	0.07	—	7.83				
1954-55	192	24	86	302	315	105	210	223	191	18	14	14	14(a)	1.03	—	10.80				
1959-60	312	64	325	701	708	207	501	351	303	21	27	12	19(b)	0.90	0.60	11.68				
1964-65	362	220	281	863	1086	443	643	876	649	72	155	63	80	2.91	1.60	15.52				
1974-75	994	906	1189	3089	3765	1375	2390	3464	2652	201	611	250	309	3.82	1.60	18.06				
1979-80	994	2036	2848	5878	7480	3048	4432	5860	4421	513	926	364	434	5.97	2.00	31.80				
1980-81	994	2681	3522	7197	8877	3544	5333	7888	6010	649	1229	370	619	9.16	2.25	38.70				
1981-82	994	3267	4444	8705	10459	4198	6261	8350	6514	670	1166	365	601	8.53	2.25	44.99				
1982-83 (9 Months)	1105	3982	4410	9497	11683	4758	6925	7694	6143	610	941	118	691	8.03	1.90	48.10				
1983-84	1405	4906	6727	13038	14254	6254	8000	12610	9413	1516	1681	760	660	7.84	2.50	46.47				
1984-85	1594	6705	11987	20286	17032	7317	9715	13570	10429	968	2173	450	1204	12.34	2.50	53.70				
1985-86	2779	8636	12779	24194	19559	8285	11274	16746	12898	1102	2746	578	1644	7.96	2.50	41.76				
1986-87	2719(c)	10212	21929	34860	22257	9170	13087	19354	14878	1341	3135	875	1803	8.30	2.50	47.55				
1987-88	3717	15036	23516	42269	25991	10631	15360	23040	17875	1645	3520	800	2718	7.51	3.00	51.80				
1988-89	4492	21093	25850	51435	28559	12125	16434	29172	22952	1751	5029	1450	3229	7.97	3.10	56.96				
1989-90	4917	25926	34129	64972	35310	14017	21293	30902	23172	2056	5674	1600	3612	8.29	3.00	62.73				
1990-91	7375	26070	58398	91843	49989	16047	33942	35202	27354	2403	5445	1000	3945	6.03	2.50	45.35				
1991-92	7375	29831	62262	99468	69797	18618	51179	41204	29580	2650	8974	3000	3974	8.10	3.00	50.45				
1992-93	9262	41931	95966	147159	119358	21050	98308	48743	34754	2623	11366	3871	6495	8.91*	3.50	54.84				
1993-94	11268	71225	125245	207738	194562	22632	171930	64698	40424	2266	22008	500	16508	20.21*	6.00	73.03				
1994-95	11288	92630	152664	256582	209747	26717	183030	92443	59171	4601	28671	6	23165	25.38	6.50	92.00				
1995-96	18069	113349	154892	286310	224475	36872	187603	155565	103420	10489	41656	2200	22231	21.83	6.50	72.72				
1996-97	18070	125449	161606	305125	241799	47837	193962	162813	122372	11409	29032	3800	20487	13.96	6.50	79.42				
1997-98	18070	141396	152755	312221	260896	59053	201843	166151	121432	11513	33205	4350	28863	15.97	6.50	88.28				
1998-99	18070	149537	157023	324630	273995	70516	203479	150030	117432	11615	20983	2816	18167	10.06	5.00	92.79				
1999-00	18070	151240	137023	306313	284488	82244	202244	165882	139190	12347	14345	2114	11729	6.50	5.00	93.73				
2000-01	18070	176474	114627	309171	281238	92802	188436	173411	141518	13284	18609	2114	16495	9.13	5.00	105.36				
2001-02	18070	137066	106071	307638	285989	104522	181467	151605	118278	13321	20006	7324	12682	7.02	5.00	84.35				
2002-03	18070	145516	81626	289288	283490	115049	168441	170483	130588	13693	26202	6544	19658	10.88	5.50	89.81				
2003-04	21516(d)	182018	76554	324291	307025	132880	174145	272984	225961	14415	32608	10555	22053	10.25	5.50	94.48				
2004-05	21516	178268	132422	367544	311790	155551	156239	322515	263451	13770	45294	11239	34055	15.83	6.50	92.80				
2005-06	21516	195254	145449	394514	322899	167802	155097	373461	308481	13893	51087	15784	35303	16.41	7.00	100.45				
2006-07	21516	217768	104177	372583	332657	181183	151474	426923	348504	15035	63384	18963	44421	20.65	8.00	111.07				
2007-08	23406	337762	234384	619375	346082	194824	151258	484819	354233	14876	115710	20792	94918	42.82	9.00	152.64				
2008-09	23523	362407	367610	763842	390176	205801	184375	872402	790072	16303	66027	20822	45205	19.25	9.00	164.11				
2009-10	24332	403964	294651	741969	404115	221106	183009	576975	499443	18719	58813	15335	43478	18.38	9.00	176.07				
2010-11	25482	448586	297594	787633	428661	235898	192763	656776	580460	20446	55870	15021	40849	16.32	10.00	186.09				

Note: (a) Including arrears of dividends on Preference Shares; (b) Including interest paid out of Capital on Ordinary Shares; (c) Reduction due to cancellation of Preference Share Capital and issue of Non-Convertible Bonds. (d) Includes the balance lying in Share Capital Suspense Account amounting to ₹ 34.46 Crores.

* Annualised.



TATA CHEMICALS LIMITED

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

ATTENDANCE SLIP

Folio No.	
DP ID	
Account ID	
No. of Shares	

I hereby record my presence at the SEVENTY-SECOND ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vitthaladas Thackersey Marg, Mumbai 400 020, at 3.00 p.m. on Tuesday, August 09, 2011.

Signature of the attending Member/Proxy	
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- Notes:**
1. A Member/Proxyholder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
 2. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.



TATA CHEMICALS LIMITED

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

PROXY

I/We of in the district of being a Member/Members of the above named Company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the SEVENTY-SECOND ANNUAL GENERAL MEETING of the Company to be held on Tuesday, August 09, 2011 at 3.00 p.m. and at any adjournment thereof.

Signed this day of 2011

Signature _____

Affix Re. 0.15 Revenue Stamp

Folio No.	
DP ID	
Account ID	
No. of Shares	

This form is to be used in favour of the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.
*against

*Strike out whichever is not desired.

- Note:
1. The proxy must be returned so as to reach the Registered Office of the Company, Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
 2. A Proxy need not be a member of the Company.

Tata Paras Preferred choice of Indian Farmer. Since 25 years



Tata Paras, a flagship brand of Tata Chemicals' Crop Nutrition Business is a perfect example of leveraging an acquisition and integrating it with the existing business and its offerings.

“Sampoorna Santulit Poshan” as they call it; the PARAS crop nutrition brand came into existence in the year 1986. Starting off initially on the premise of a basic fertiliser, the brand today stands for an entire range of Crop Nutrition products from basic, organic to specialty all under its portfolio and stands for quality, trust and commitment in the minds of its consumers. In 2011, the brand celebrates 25 glorious years of its existence as one of the leading players in the crop nutrition segment touching the lives of the Indian farmers through a vast network of 800 dealers, 681 Tata Kisan Sansar outlets, 5000 retailers in 8 states of India spread across North & East namely – Uttar Pradesh, Punjab, Haryana, Jammu and Kashmir, West Bengal, Bihar, Jharkhand and Assam. Way back in early 80's the fertiliser industry largely revolved around availability of fertilisers and there was a lack of differentiation between the offerings in the fertiliser segment. This was the phase when PARAS embarked on a journey of inventing the fertiliser branding space, which can indeed be remembered as a new dawn in fertiliser marketing. Right since its inception, PARAS DAP had all the elements to make it a strong brand as it focussed on the existing needs of the Indian farmer. It was positioned on guaranteed quality which was visible in its right size granules, in the uniform colour of the product and was packaged in bright yellow colour PP bags.

Over a period of time PARAS continued to add to its portfolio new products like SSP, MOP and various NPK grades and initiated the concept of balanced crop nutrition by N P & K. This trust in the brand was reinforced through the brand communication which spoke about the benefits offered - Paras – “Sona Ugaye Bar Bar”.

The year 2004-2006 was an eventful year in the history of PARAS as TATA Chemicals acquired it from HLCL and integrated it with its existing brand as TATA PARAS, reinforcing the brand values of trust and quality. This resulted

in the addition of a critical nutrient - urea - under the brand portfolio. It was a perfect integration of two strong brands, leveraging values of trust and premium quality.

In 2006, the fertiliser business was renamed as Crop Nutrition Business and was better aligned to the changing soil needs and business needs. This change was reflected in the range of offerings which were added to the Paras portfolio, with strong and meaningful benefits of balanced crop nutrition (Sampoorna santulit poshan). In 2010, an innovative offering PARAS FARMOOLA – Ek Mein Sab – customised fertiliser was launched. Paras Farmoola is an area and crop specific nutrient which enhances crop productivity, promotes balanced application of nutrients and improves soil health, thereby making the brand innovate with time and changing requirements.

Over these 25 years Tata Paras has relentlessly contributed towards improving the quality of life of the farmers with efforts to bridge the gap between adversity and prosperity. Today PARAS in true sense is farmer's friend on whom he can rely upon for his harvest and trust when it comes to giving the best nutrition to his crops. With expansion plans into new geographies TATA PARAS is spreading its wings to reach out to the farmers at an all India level now. It is the start of yet another eventful journey.



THE
POWER
OF **One**



TATA CHEMICALS LIMITED

Registered Corporate Office

Bombay House, 24, Homi Mody Street, Fort. Mumbai - 400001, India

Tel: +91 (0)22 6665 8282, Fax: +91 (0)22 6665 8143/44

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