

# BRINGING SMILES TO



**ANNUAL GENERAL MEETING**

11<sup>th</sup> August 2016

# Agenda

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- 01** About Us
- 02** FY 16 Financial Performance
- 03** Our Strategic Direction
- 04** Business Highlights
- 05** Our Commitment to Sustainability
- 06** Recognitions

# We are a global company serving customers across 5 continents



- Head Office
- Manufacturing Facilities
- Markets

## Americas

- 1 Green River Basin, Wyoming, US

## Europe

- 2 Northwich, Lostock & Middlewich, UK

## Africa

- 3 Jorf Hasfar, Morocco (JV), North Africa
- 4 Magadi, Kenya

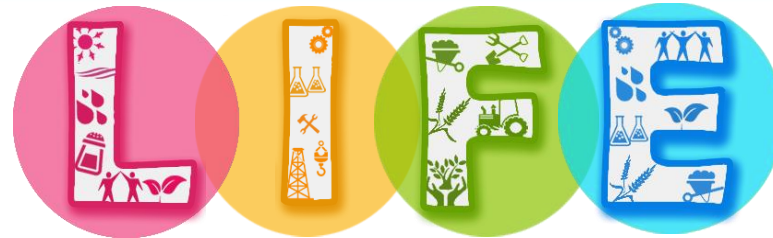
## Asia

- 5 Mithapur, Gujarat
- 6 Ankleshwar, Dahej, Gujarat (Rallis)
- 7 Lote, Maharashtra (Rallis)
- 8 Akola, Maharashtra (Rallis)
- 9 Babrala, UP
- 10 Haldia, West Bengal
- 11 Sriperumbudur, Tamil Nadu
- 12 Bengaluru, Karnataka (Metahelix)

- HO: Mumbai, India

**Consolidated Net Revenue of ~ ₹ 17,700 Cr in FY 2015-16 with interests across LIFE**

# Context for the year gone by



## LIVING



- Continued growth in branded packaged products
- Consumers shift towards quality and value
- New entrants & categories energises the market

## INDUSTRY



- US and Asia (including India) show resilient form while other regions are patchy
- Falling commodity prices aids margin expansion
- Focus on Operational Excellence

## FARM



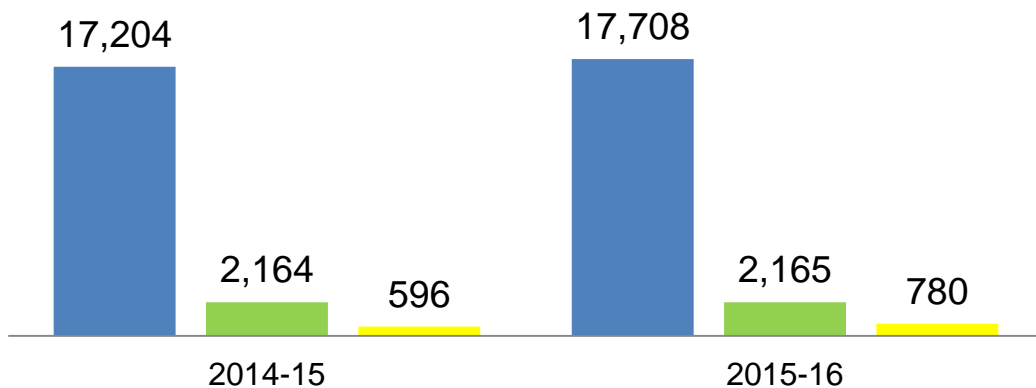
- Two consecutive droughts
- Insufficient allocation of subsidy
- Falling commodity price and squeezing of farm margins
- Focus on Farmer Engagement and Sustainability

# Our Financial Performance

In ₹ Cr

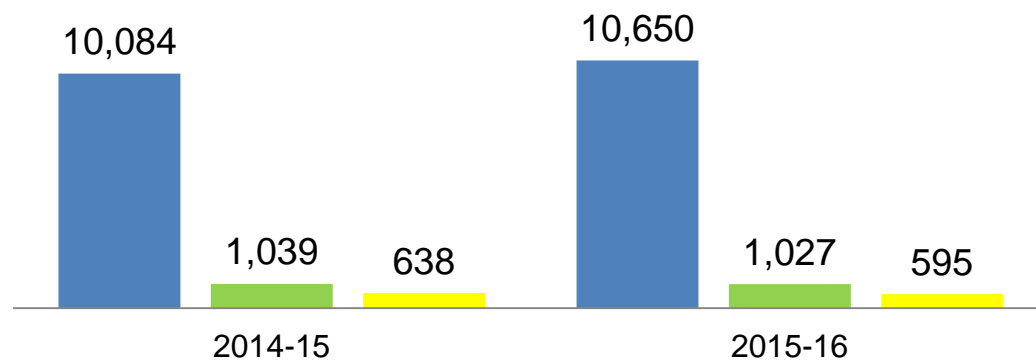
■ Income from Operations   
 ■ EBITDA   
 ■ PAT

## Consolidated



|        |     |   |
|--------|-----|---|
| Income | 3%  | ↑ |
| EBITDA |     | ↔ |
| PAT    | 31% | ↑ |

## Standalone



|        |      |   |
|--------|------|---|
| Income | 6%   | ↑ |
| EBITDA | (1)% | ↓ |
| PAT    | (7)% | ↓ |

# Financial Performance – Standalone

In ₹ Cr

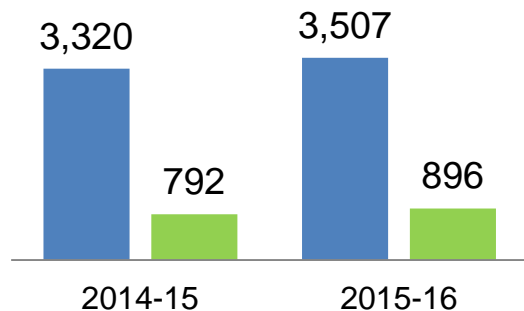


Income from Operations



EBIT

Inorg. Chemicals

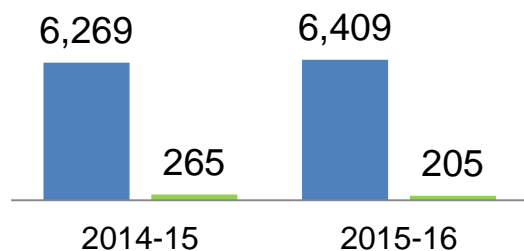


|        |     |   |
|--------|-----|---|
| Income | 6%  | ↑ |
| EBIT   | 13% | ↑ |

Inorganic Chemicals

- Soda Ash and Salt in India continue to deliver improved performance
- Salt portfolio commands a market share of 68.5%\* in the National Branded Salt Segment

Fertilisers

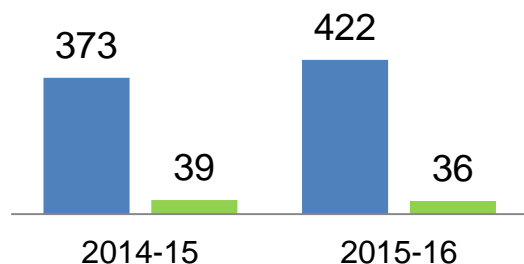


|        |       |   |
|--------|-------|---|
| Income | 2%    | ↑ |
| EBIT   | (23)% | ↓ |

Fertilisers & Other Agri

- High subsidy outstanding continue to impact the business performance
- Subsidy receivable at ₹ 1,902 Cr as on 31st March 2016  
(Subsidy outstanding of ₹ 1,479 Cr as of June 2016 end)

Other Agri-Inputs



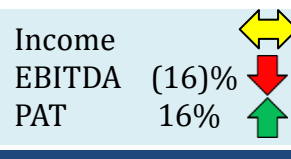
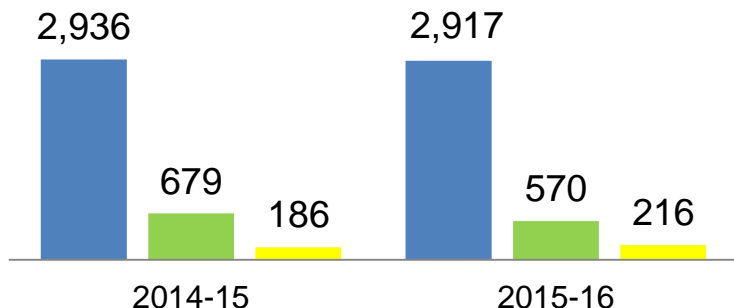
|        |      |   |
|--------|------|---|
| Income | 13%  | ↑ |
| EBIT   | (8)% | ↓ |

# Financial Performance – Overseas Operations

In ₹ Cr

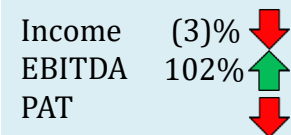
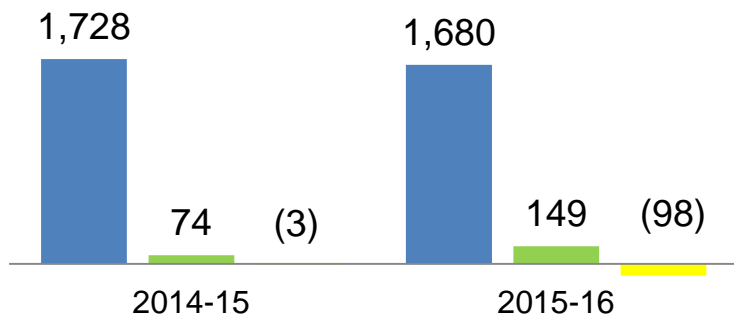
■ Income from Operations ■ EBITDA ■ PAT

North America



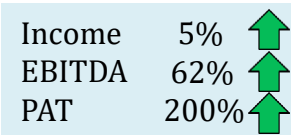
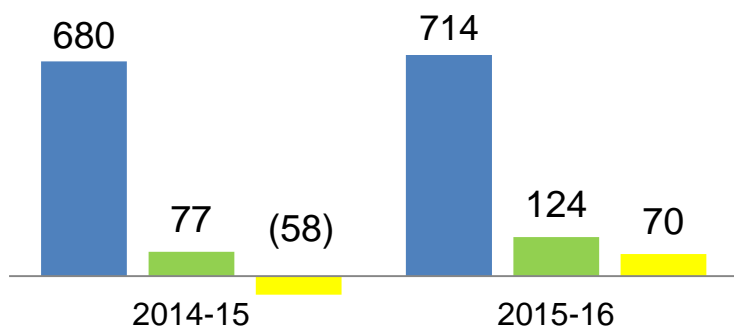
- Plant reliability issues led to lower production
- Production back on track in the final quarter

Europe



- Better operational performance
- Drop in PAT due to Mark to Market losses

Magadi



- Magadi operations continues to improve performance
- Focus on Quality

# Our Strategic Direction





# Our Strategy in Farm Essentials

## CONSUMERS

- Cater to 25 million farmers (who are influencers in their areas)



## PRODUCTS & SERVICES

- Shift to non subsidized, specialty products like specialty fertilisers, organic fertilisers, crop protection chemicals, crop growth nutrients, seeds, etc.
- Digitized farm solutions through relevant Package of Practices



## INVESTMENT STRATEGY

- Focus on Brands: Paras, TKS, RKK, Non bulk portfolio in TCL, Rallis & Metahelix
- Cap exposure to commodity fertiliser and seek Partnerships and/or transfer of ownership



### Step 1

- Invest in Brands like Paras / TKS/ Daksha
- Build portfolio in Non bulk branded products : Currently at ~ ₹ 700 Cr

### Step 2

- Acquire Rallis
- Invest in Dahej for expanding capacity and capability in Rallis : Gross Investment of ~ ₹ 300 Cr

### Step 3

- Acquire Metahelix : Total cost of ₹ 244 Cr
- Build Digital platform
- Innovative Product launches

### Step 4

- Cap exposure to commodity fertiliser
- Seek Partnerships and/or transfer of ownership

# The current transaction is in line with our Strategy

## Transaction

- Buyer: Yara, one of the world's largest producer of fertilizers and with long term interest in urea
- Transaction Value: ₹ 2,670 Crores, subject to adjustments
- Process: Slump sale process via court scheme (~9-12 months)

## Inclusions

- Babrala land, plant & equipment and working capital of Urea + Customised Fertiliser business
- CAT\*, Aligarh employees and equipment (excluding land & building)
- All related contracts (gas, dealers, BHAs, etc) and liabilities
- All Babrala employees and related sales and support staff from Noida office
- Transitional Brand and IT support

## Exclusions

- Phosphatic and Trading Businesses
- Tata Kisan Sansar (TKS), Dakhsa, Paras brands
- Aligarh land & building, Noida office, Marble Arch Guest House, etc.

We launched Tata Sampann umbrella brand with a focus on providing everyday nourishing food to consumers...



Tata Sampann brand houses unpolished high protein Dals, low oil absorb Besan and a wide range of uniquely developed Spices

...and launched key products in the market



**Tata Salt Plus**

**Iron Fortified Iodised Salt  
launched to address Iron  
Deficiency Anaemia across  
the country**



**Rock & Black Salt  
(Crusher Pack)**

**Mineral rich salt in  
crusher pack to ensure  
fresh aroma and flavour  
at the time of use**



**Nutritional Solutions**

**Innovative range of  
prebiotics (FOS, GOS) and  
healthier alternatives to  
regular sugar**

# We connected with our consumers through impactful campaigns



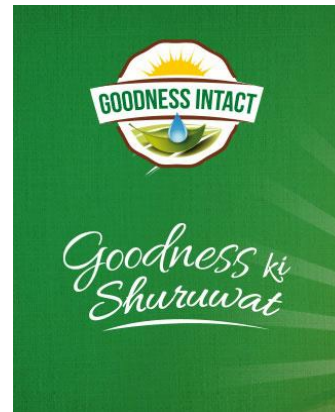
6.3 Lakh consumers engaged on social media to pay tribute to our Soldiers



Desh Ki Rag Rag Mein Iron campaign on empowering the new women of India



Iron Fortified Iodised Salt Campaign



Tata Sampann Goodness Ki Shuruwat Campaign



# ..and continue to build on our Customer Connect through powerful brands & distribution reach



**Tata Salt reaches 135 million households**



**World's 2<sup>nd</sup> largest producer of Soda Ash and 4<sup>th</sup> largest in Sodium BiCarb**



**Our Agri business reaches ~85% of India's arable land serving over 20,000 villages**

# We deliver Operational Excellence through relentless focus on Safety and Continuous Improvement



**“Target Zero Harm” safety initiative across all sites**  
Flagship programs include Suraksha Jyot, Looking For Trouble, SRESHTO, Process Safety Management (PSM)



**Lean Six Sigma deployed globally for process and delivery effectiveness**  
Over 1500 trained, 340+ projects completed



**Execution Excellence program aimed at simplification of processes**  
to bring in agility and accelerate decision making  
100+ projects have been undertaken



...anchored by our engaged and capable workforce



## Few Employee Engagement Initiatives



**Oorja & TCL Family Day:** TCL Master Chefs was held along with Family Day



**Diwali Day Celebrations**



**Recognition of customer centric innovations by sales & marketing teams**



**Women Volleyball team at TCML**



**TCE employee participation in Cyclothon**



# Our Commitment to Sustainability



## Empowering Community

- Connecting 600+ rural artisans with customers through Okhai
- Turnover of ₹ 1.5 Cr; 50% increase over PY
- 2000+ youth trained in vocational trades



## Nature & Biodiversity

- 491 whale sharks rescued
- 830 m<sup>2</sup> of artificial coral reef created
- ~700,000 new mangroves planted



## Waste Management

- 100% recovery of urea spillage
- 76% of virgin limestone requirement met through recycled materials



## Resource Conservation

- 313 ft<sup>3</sup> of water harvesting capacity created
- Efforts invested to ensure focus on specific water consumption



## Climate Change

- Specific carbon emission reduction initiatives rolled out across our domestic and international sites



## Product Stewardship

- Bulklers help replace 3 Mn plastic bags p.a.
- Reuse of HDPE bags – Fresh bags used for only 2.5% of the production

## Our Recognitions in the year (1/2)



**Tata Salt ranked 2<sup>nd</sup>  
Most Trusted Brand in  
ET Survey 2015  
&  
No.1 Food Brand by  
Hindu Business Line**



**Sword  
of Honour  
2015 Winner**

**Awarded British Safety Council  
- Sword of Honour at Mithapur  
& Haldia manufacturing sites**



**Recognised as the  
Best Employer (India) 2016 by AoN Hewitt  
&  
Best Company to Work for in Kenya by  
Deloitte**

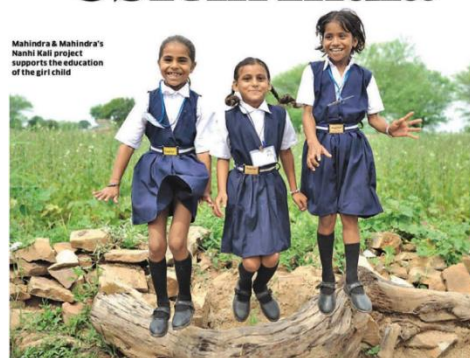
## Our Recognitions in the year (2/2)



Tata Salt's 'Desh ka Salaam, Sarhad ke Naam' campaign breaks two Guinness records\*

THE ECONOMIC TIMES

Best Companies For  
CSR in India



Recognised as Best  
Company for CSR in India  
2015 by  
The Economic Times



Ranked 2<sup>nd</sup> in CDP 2015 with a  
score of 99 in Carbon Disclosure  
Leadership Index



Bringing smiles to LIFE

**Thank You**

[www.tatachemicals.com](http://www.tatachemicals.com)  
[www.humantouchofchemistry.com](http://www.humantouchofchemistry.com)  
[www.tcsr.com](http://www.tcsr.com)  
[www.okhai.org](http://www.okhai.org)

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# We have initiated Strategic actions to address our Business Challenges



## LIVING



- **Optimised sourcing** for food grains; Development of predictor model for market price
- **Product and brand differentiation** to counter unbranded/private label competition

## INDUSTRY



- **Operational and energy efficiencies** to reduce material consumption and cost of operation
- **Securitisation raw materials**