



**TATA CHEMICALS**

Annual Report 2013-14

# PASSION PARTNERSHIP PROGRESS

A journey of 75 years & beyond



# Contents

## AGM

Thursday, 21st August, 2014  
Time: 3:00 p.m.

## Venue

Birla Matushri Sabhagar, 19,  
Sir Vithaldas Thackersey Marg,  
Mumbai – 400 020.

## Book closure dates

12th August, 2014 to  
21st August, 2014

## 02 CORPORATE OVERVIEW

- 02 Tata Chemicals at a Glance
- 04 Key Milestones
- 06 The Formative Years (1939-1953)
- 08 Expansion & Consolidation (1954-1968)
- 10 Building Social Capital (1969-1983)
- 12 Expanding Verticals (1984-1998)
- 14 Growth & Globalisation (1999-2013)
- 16 Forging Ahead (2014 & beyond)
- 20 Board of Directors
- 21 Senior Management
- 22 Financial Highlights
- 24 Awards and Accolades

## 25 STATUTORY REPORTS

- 25 Notice
- 42 Directors' Report
- 55 Management Discussion and Analysis
- 72 Corporate Governance Report
- 86 Business Responsibility Report - Summary

## 87 FINANCIAL STATEMENTS

### Standalone Financial Statements

- 87 Independent Auditors' Report
- 90 Balance Sheet
- 91 Statement of Profit and Loss
- 92 Cash Flow Statement
- 94 Notes forming part of the Financial Statements
- 126 Summary of Financial Information of Subsidiary Companies

### Consolidated Financial Statements

- 128 Independent Auditors' Report
- 130 Consolidated Balance Sheet
- 131 Consolidated Statement of Profit and Loss
- 132 Consolidated Cash Flow Statement
- 134 Notes forming part of the Consolidated Financial Statements
- 163 Financial Statistics  
Proxy/Attendance Slip

**Being around for 75 years means one has seen a lot. A lot of change. However, as they say, the more things change, the more they remain the same.**

So what remains unchanged at Tata Chemicals.

For one, we continue to play a catalytic role in the growth of Indian industry, as we did since our inception. We remain partners in the progress of India and increasingly around the world, as we have done since 1939, consistently aiding and facilitating the nation's industrial transformation.

We remain true to our core as an organisation that leverages the power of science to improve lives. We will keep making pioneering products available to our customers and consumers, that ensures multiple socio-economic benefits.

Yet, some things are changing.

We are now even more passionate about providing products and

solutions to fuel the next level of growth for a more aspirational, brand-conscious and global consumer. While we continue to be a responsible corporate citizen, we will increasingly be playing a greater role in the farm, health and nutrition space.

In so doing, we are inspired by our glorious past and the exciting promise of the future.

**4,566**  
EMPLOYEES  
GLOBALLY

COMMUNITY  
REACH  
**3+ lakh**  
people

**10+ crore**  
NO. OF  
HOUSEHOLDS  
REACHED

NO. OF  
FARMERS  
REACHED  
**2+ crore**



# Tata Chemicals at a Glance

Brand Portfolio

*Tata Chemicals Limited is a global organisation with interests in businesses that focus on Living, Industry and Farm Essentials. In FY 2013-14, Tata Chemicals earned consolidated revenues of nearly ₹ 16,000 crore.*

Our Living Essentials portfolio has positively impacted the lives of millions of Indians. Tata Chemicals is the pioneer and market leader in India's branded iodised salt segment. Through our innovative, low-cost, nanotechnology-based water purifier, Tata Swach, we provide affordable, safe drinking water to the masses.

We are the world's second largest producer of soda ash with manufacturing facilities across Asia, Europe, Africa and North America. Our Industry Essentials product range provides key ingredients to some of the world's largest manufacturers of glass, detergents and other industrial products.

Our Farm Essentials portfolio has enabled us to become a leading crop nutrients provider. We are a leading manufacturer of urea and phosphatic fertilisers and through our subsidiary, Rallis and MetaHelix, we have a strong position in the crop protection, high quality seeds and agri-solution businesses.

## LIVING ESSENTIALS



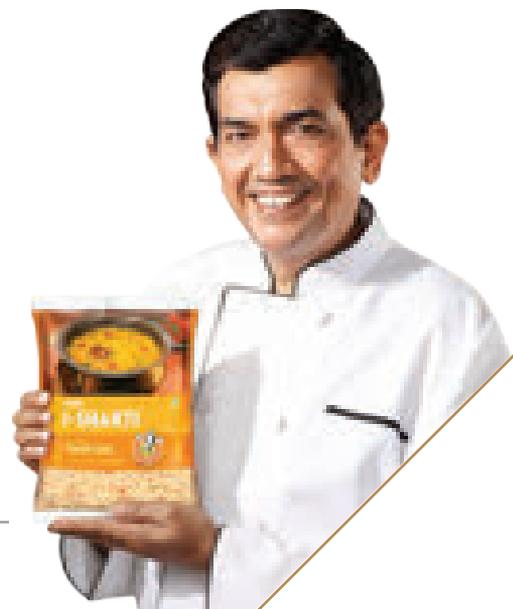
i-Shakti salt



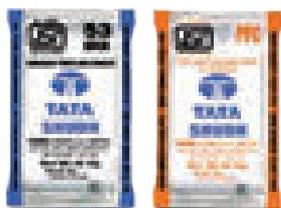
Tata Salt and Flavoritz



i-Shakti pulses, cooking soda and besan



INDUSTRY ESSENTIALS



Cement



Soda ash

Sodium bicarbonate



Tata Swachh



FARM ESSENTIALS



Tata Paras



Insecticides



Fungicides



Herbicides



PGN



TKS Crop protection







Babralla Fertiliser Plant

i-Shakti dal



Tata Salt first pack

**1983**

- Tata Salt, India's first iodised, vacuum-evaporated, branded salt launched

**1994**

- Fertiliser plant at Babralla commissioned in 36 months, a world record

**2005-08**

- Acquires stake in Indo Maroc Phosphore SA (IMACID) – the first step towards internationalisation
- Acquires UK-based Brunner Mond Group (now known as Tata Chemicals Europe), including Magadi Soda Company (now known as Tata Chemicals Magadi), Kenya
- Acquires US-based General Chemical Industrial Products (now known as Tata Chemicals North America)

**2010-11**

- i-Shakti dals (pulses) launched
- Tata Salt Plus and Flavoritz launched
- Metahelix becomes a part of the Tata Chemicals family
- Acquires 100% stake in British Salt, UK

**1992-93**

- Tata Shudh detergent launched
- New cement plant started in Mithapur to convert waste into wealth

**2003-04**

- Tata Salt ranked No. 1 Food brand in Brand Equity Survey of India's most trusted brands
- Merger of Hind Lever Chemicals Limited (HLCL) with Tata Chemicals
- Innovation Centre in Pune set up

**2009**

- Tata Swach Nanotech water purifier launched
- Rallis India Limited becomes a subsidiary

**2014**

- Tata Chemicals completes 75 glorious years

Construction of cement plant



Iodised salt pack advertisement



Tata Swach

1939

THE FORMATIVE  
YEARS

1953

"Of all the companies with which I have been concerned, none has had to overcome so many difficulties compounded with bad luck, as has been the lot of Tata Chemicals."

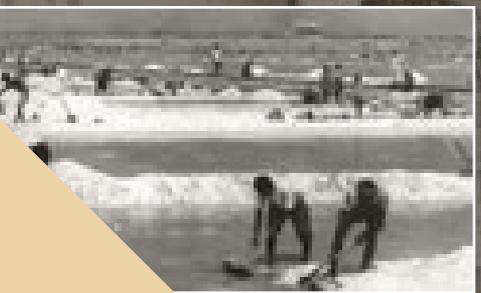
– J.R.D. Tata

The story of Tata Chemicals is that of men and women who had the passion and the nerve to take challenges head on so that India could have a self-reliant chemical industry of its own. At a time when infrastructure bottlenecks plagued entrepreneurs, a chemical engineer from the University of Manchester, Kapilram Vakil, began the 'Okha Salt Works' in present day Mithapur, 13 km from the holy city of Dwarka. The Okha Salt Works was the first such plant in India to be planned on a scientific basis.

Tata Chemicals' growth has been an integral part of India's industrialisation story.

*Our journey began in pre-independence India. We have, since then, progressed with the country while we have continued to create and develop a profitable and sustainable business model.*

*The seeds of growth were sown at a small salt factory in the semi-arid deserts and salt pans of western Gujarat. It has been a learning and enriching experience – to follow a passion and build a company which has enterprise, technology and innovation at its forefront.*



Later, at the request of the then Maharaja of Baroda, Sayaji Rao Gaikwad, in whose area the plant was, the Tatas readily agreed to support and sustain the efforts of Kapilram and took an informed decision to establish Tata Chemicals Limited.

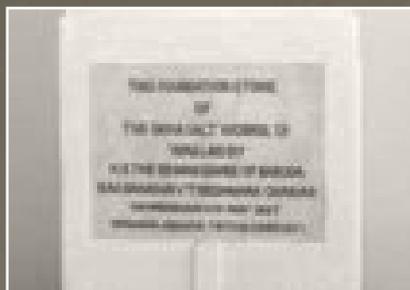
Untrained staff, a closely guarded technology and competition from the UK-based Imperial Chemical Industries



were some of the challenges we encountered.

That was in 1939. Something else happened that year: the outbreak of World War II, which further added to the challenging atmosphere in the country. It took the Company some time to stabilise production even after the end of the War.

**Five years later, we were given the rights to manufacture salt and marine minerals by the state of Baroda** and were also allowed to use limestone and other raw materials needed for soda ash manufacturing. Following this, we set



up the soda ash production plant, which has gone on to make its mark as a major growth driver in our business today.

We declared our first dividend on ordinary shares, 16 years since starting operations. However, we did not just grow our business; we also built hospitals and medical facilities for our employees and helped local communities to improve their standard of living.

**We began with passion to create value and partnered the nation in its industrial and economic growth trajectory.**



# 1954

## EXPANSION & CONSOLIDATION

# 1968

We saw our soda ash capacity expand from 100 tonnes per day in 1953 to 400 tonnes per day in 1964.

This was no mean achievement. This growth was crafted through years of hard work, expertise, innovation and a passion for creation by a dedicated and disciplined workforce.

**In these intermittent years we innovated with new products:**

**1956:** Technical grade benzene hexachloride (a pesticide)

**1957:** Ethylene dibromide and copper oxychloride (an insecticide)

Our continuous capacity expansion has allowed us to emerge as one of the industry leaders in the country.

*Increased production capacity, the introduction of new and innovative products, technological advancement and a dedicated workforce were the pillars on which we grew the Company.*

*These were years of growth and consolidation. We improved our production process and refined our technological expertise as our businesses delivered industry-leading performances.*



In 1957-58, a significant expansion exercise was launched. Indian engineers and technicians undertook this project using indigenous resources and expertise. This exercise was a symbol of the leap forward that Tata Chemicals was readying to take.

The team was a cohesive unit working towards the challenging goal of capacity expansion. Every day a new record was set. **They constructed an ammonia still in about 40 days, dismantled the old carbonating tower and erected a new unit in 66 hours – continuing construction alongside**

production, thus ensuring that there was no loss of production or mandays.

A second lime kiln was built in 1963 and a third in 1964.

**1962 saw the first production of dense soda ash** and a remarkable increase in net profit from ₹ 16.9 lakh to ₹ 79.7 lakh.

There were several other successes. The technical staff succeeded in using treated sea water in place of fresh water as a critical input. It was a major breakthrough which resulted in simplifying operations. Even more

encouraging was the fact that the **Government decided to remove the price ceiling on soda ash and caustic soda in 1963.**

The confidence and courage the Company acquired by brainstorming and solving innumerable problems while expanding capacities, stood it in good stead as it moved to achieve more ambitious goals.

**The Company was now on its path to progress along with a new and emerging India.**



# 1969

# 1983

**BUILDING  
SOCIAL CAPITAL**

We followed the original method of harnessing salt or sodium chloride from sea water using solar evaporation.

In pre-independence India, the **Company was only allowed to sell salt in Calcutta, a primary source of its revenue till 1947.** With the expansion of the heavy chemical complex at Mithapur – we began meeting the increasing demand of basic marine chemicals.

Although we had been manufacturing edible salt since our inception, it was only in **1983, for the first time ever, that we entered the consumer market.**

Chemicals are essentials that help improve our lifestyle and touch our lives in many different ways.

*At Tata Chemicals we began by harnessing marine chemicals and created a product that grew to be an integral part of our everyday lives.*

*Salt, often called 'White Gold,' is that inexpensive but vital product. A must in every kitchen, it is also a significant raw material in the manufacture of almost all basic chemicals, especially, soda ash and caustic soda. We were the first to produce packaged iodised, edible salt, addressing a basic nutritional need in India. While we became the pioneers in production, we never lost sight of the health benefits – for greater socio-economic advantage.*



We pioneered iodised, packaged, vacuum-evaporated edible salt in India and marketed it under the brand name 'Tata Salt'. This is a landmark in the history of the Company.

A major percentage of vacuum and pure salt produced is also used as raw material in the manufacture of various chemicals, pharmaceuticals, textiles, papers and detergents.

Within India, we currently own and operate the largest salt works, spread across approximately 150 sq. km in Gujarat comprising Aramda, Padli,

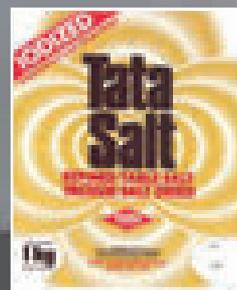
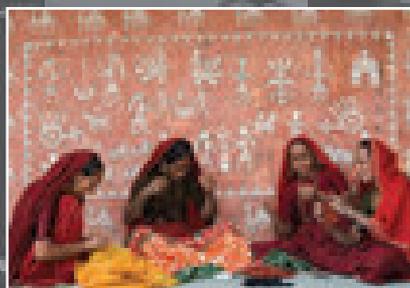
Samlasar, Mithapur, Charakla and Okhamandi salt works.

Our salt gained in popularity due to its quality; **its brightness and colour, the correct saltiness, uniform crystals, pleasant flavour**, absence of foreign matter like mud or clay, even before formal launch of the Tata Salt brand.

While we focused on this essential product, we never stopped our pursuit of progress, expansion and care for the community. We set up the Tata Energy Research Institute (TERI) to address the country's need for research and

development in energy. Additionally, the **Tata Chemicals Society for Rural Development (TCSRSD) was set up in 1980** to improve the quality of life of rural communities in Okhamandal villages.

**With the building blocks firmly in place, we geared ourselves to take the next step in our journey – to partner the development of the Indian agriculture sector.**



1984

EXPANDING  
VERTICALS

1998



Our foray into Farm Essentials has helped us carve a niche as a crop nutrient provider. Products like fertilisers, pesticides, specialty nutrients, seeds and agri-services help farmers enhance their farm productivity leading to better lifestyles.

**Our journey into the agriculture sector was through Tata-Fison Private Limited in 1957**, a joint venture company of Tata Chemicals and Fisons Pest Control Limited of Cambridge, England.

A strategic shift from chemicals into farm essentials was the first step Tata Chemicals took in order to diversify its business interests.

*Today, an established position in the fertilisers business and a focus on health essentials ensures that we remain relevant in contributing to India's nutritional needs – from the farm to the table.*

*The high quality of chemicals and ingredients made at Tata Chemicals goes a long way in improving the lives of its consumers and that of all its stakeholders.*



Tata-Fison provided the farmers and public health authorities with the widest, most effective range of insecticides and fungicides and was a leading producer of pesticide in the 1960s, in India.

**In 1973, Tata-Fison merged with Rallis, thereby becoming a part of Rallis India.**

While we were looking for ways to help the farmer, Mithapur grew and through the mid-80s and the 90s we systematically increased our strength by:



**1992:** Launching Tata Shudh detergent

**1993:** Commissioning a new 1,000 TPD cement plant, in an effort to convert waste into wealth

**In 1994, we expanded our business verticals by setting up a fertiliser plant in Babrala, Uttar Pradesh.**

Commissioned on a greenfield site, the plant, capable of producing ammonia and urea, was set up in 36 months, a world record.

It was the country's first dual-feed plant, with an ability to run on naphtha and



gas. It is currently among India's most energy efficient urea plants.

In 1996, an important innovation, Effluent Solids Filtration (ESF), was implemented at Mithapur. A unique process across global soda ash plants, ESF helps filter solids from the soda ash effluent, which can then be reused as a raw material to produce cement.

**Success was sweet! With our dream of setting up a world-class fertiliser plant realised, we set our sights on identifying opportunities beyond borders.**



# 1999 GROWTH & GLOBALISATION

# 2013



We started preparing ourselves to be global. In this journey we equipped ourselves with ISO 9001:2000, ISO 14001 and OHSAS 18001 certifications. The Mithapur township became one of the first townships to be awarded an ISO 14001 certification. We adopted world class processes including registration with the British Safety Council and becoming a signatory to the UN Global Compact. We were recognised for our commitment to quality and processes and in 2003, Tata Salt ranked as the No. 1 food brand in Brand Equity Survey of India's Most Trusted Brands.

Aligned with our focus on consistent innovation, we set up the Innovation Centre in Pune to develop world-class R&D capability in the emerging areas of nanotechnology and biotechnology. Years of hard work and innovations paid off. Our product portfolio expanded, catering to the changing needs of 21st century India.

Tata Chemicals was now ready to partner the next level of growth – catering to the changing needs of an evolving nation.

*We have partnered the nation in its growth, helped in its effort at industrialisation and stood by it in times of disaster and destruction.*

*It is time now to change and adapt, to expand our horizons and cater to the brand-conscious customer with a global outlook.*



We launched a number of new products including:

- ✔ **i-Shakti Cooking Soda**, refined sodium bicarbonate in 2006
- ✔ **Tata Salt Lite** in 2007
- ✔ **Tata Swach Nanotech water purifier**, designed to address the need for safe drinking water for the masses in 2009
- ✔ **i-Shakti dals (pulses)** in 2010
- ✔ **Tata Salt Plus**, India's first iodine plus iron fortified salt in 2011
- ✔ **Tata Salt - Flavoritz** in 2011

Simultaneously, we realised it was the time to look forward to further expansion and eye opportunities outside the country.

It began in 2004 with the merger of Hind Lever Chemicals Limited and we went on to acquire an equal partnership in Indo Maroc Phosphore S.A. (IMACID) along with Chambal Fertilisers and global phosphate major, OCP of

Morocco in 2005. This was our first step towards internationalisation.

Brunner Mond Group, UK (now known as Tata Chemicals Europe) and Magadi Soda Company (now known as Tata Chemicals Magadi) became a part of Tata Chemicals in 2005. Brunner Mond, a leading manufacturer of soda ash and associated alkaline products, enhanced our product quality and brand value. Magadi Soda Company was a natural soda ash producer in Kenya. With the acquisition of US-based General Chemical Industrial Products (now known as Tata Chemicals North America) in 2008, we earned the coveted tag of 'The World's Second Largest Soda Ash Manufacturer'.

Subsequently, a majority stake in Rallis India extended our crop protection product portfolio. Our emphasis on innovation was furthered through the Rallis Innovation Chemistry Hub (RICH) in Bengaluru, a breakthrough R&D centre which focuses on developing new and safer protection formulations that

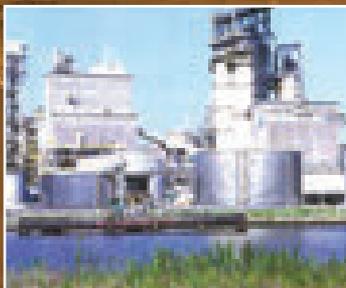
provide better efficiency and improved value and services to farmers.

In 2011, Tata Chemicals through its subsidiary, acquired British Salt, UK's leading manufacturer of pure dried vacuum salt products.

In 2011, the Company, also acquired a majority stake in Metahelix Life Sciences Limited through its subsidiary, Rallis India Limited. We paved the way for an entry into biotechnology, seed quality and protection. Global subsidiaries and acquisitions were now rebranded to a common brand name.

Tata Chemicals believes in changing lives for the better, and to that end we are gearing up to focus on research and development in the areas of biotechnology, nanotechnology, carbon absorption and growing a green cover for the arid areas we work in.

**Improving lives through technology and innovations remains Tata Chemicals' core philosophy.**



# 2014 & BEYOND

FORGING  
AHEAD



At Tata Chemicals, we are creating value for our stakeholders and the economy. At the same time, we are committed to the communities we work in. 75 years since inception, we have charted a new roadmap for ourselves.

*In addition to our leadership in industrial chemicals business, our two key focus areas will be on the growth businesses of farm inputs and food & nourishment products. These growth platforms will initially be based in India, and we will also pursue appropriate global opportunities.*



We will continue to passionately serve the Indian farming community, and do so better than any of our competitors. We believe, the “soul of India lives in its villages.”

Today, **we service over 2 crore farmers and have over 950 of our franchise model retail stores, Tata Kisan Sansar**, selling farm inputs. In the years to come, we expect this figure to expand further.

Nutritious products, branded and packaged for quality and convenience and pure potable water – these are areas that will drive our growth in today's India.

We are well positioned to roll out these products through our existing **consumer products distribution network that touches over 10 crore households**.

Our water purifier business is also ready to reach out to millions. The market reception has been excellent and we have sold over 1.1 million units.

The agriculture segment has been one of the best performers in the Indian economy. Our flagship business is a mature one and we are proud to be the **world's second largest soda ash company**. It is time to reconfigure and

## FORGING AHEAD



1/2 Tata Chemicals celebrated its 75th year by ringing the opening Bell at BSE on 23rd January, 2014. The Company's Managing Director, Mr. Mukundan, Executive Director & CFO, Mr. P. K. Ghose, along with former management, senior executives and other employees were present at the occasion.



 **SUSTENTIALS™**  
**Fossence™**  
 Fructo-oligosaccharide

In line with Tata Chemicals' focus on health and nutrition, the Company developed a range of nutritional products under the Sustentials™ brand. The products manufactured under Sustentials™ include Fossence™ (fructo-oligosaccharides), Gossence™ (galacto-oligosaccharides) and other polyols and oligosaccharides.

chart out a new course for ourselves – one that will touch lives and be integrated with national and international aspirations.

The Company continues to benefit from the shift of the Indian farmer towards higher technology and higher productivity, which implies greater use of high-quality seeds, crop nutrition and crop protection chemicals.

We will now be less of a chemical company and more a holistic provider of products and services based on science.

Our commitment to innovation remains unwavering. **We inaugurated a state-of-the-art Innovation Centre in 2014 to incubate and support our growth vectors in wellness foods, agri and chemistry solutions.** We also forayed into the fast-growing nutritional solutions with the launch of a prebiotic range of dietary fibres which were developed at

our Innovation Centre. These will allow us to address the growing dietary needs of nutrition-deficient and lifestyle-afflicted consumers by providing innovative, high quality, natural solutions to food manufacturers across the globe.

People remain the cornerstone of all our activities and help us achieve our goals. **Our strategy therefore, remains on creating a committed, competent and cohesive team nurtured in a culture of excellence.**

## We commit ourselves to the next phase of our journey in 'Serving Society Through Science'.



3



3/4 Tata Chemicals inaugurated its new Innovation Centre near Pune in 2014. The state-of-the-art Centre will be the Company's technology and innovation hub.

4

Our human resource policies adopt industry-best practices in order to attract, develop and retain high-calibre talent. In order to keep our employees engaged and valued, various customised programmes and initiatives are being implemented. These include employee-friendly administrative policies, meritocracy in performance management and rewards, ample learning opportunities, fun at work, inclusion and transparent communication that sustain a sense of ownership and belonging.

Our associations with communities surrounding our operations are deeply-rooted. **We continue to nurture and support them through various initiatives under our CSR programmes guided by our sustainability and CSR policies.**

The Tata Group ethos will always be our guiding light and at the core of everything we do.

**It has been a long journey, made more enriching by the people who contributed to our growth and leadership status.**

**We value their contributions and commit ourselves to the next phase of our journey in 'Serving Society Through Science'.**

## Board of Directors



- 1 **Cyrus P. Mistry** - Chairman
- 2 **R. Gopalakrishnan** - Vice Chairman
- 3 **Nusli Wadia** - Director
- 4 **Prasad R. Menon** - Director
- 5 **Nasser Munjee** - Director
- 6 **Eknath A. Kshirsagar** - Director
- 7 **Dr. Y. S. P. Thorat** - Director
- 8 **Dr. Vijay Kelkar** - Director
- 9 **R. Mukundan** - Managing Director and CEO
- 10 **P. K. Ghose** - Executive Director and CFO



## Senior Management

### CORPORATE

**R. Mukundan** - Managing Director and CEO  
**P. K. Ghose** - Executive Director and CFO  
**R. Nanda** - Vice President and CHRO  
**Rajiv Chandan** - General Counsel and Company Secretary

### INDIA OPERATIONS

**Dr. Arup Basu** - President, New Businesses and Innovation Centre  
**Zarir Langrana** - Chief Operating Officer, Chemicals (India)  
**Vinay K. Bhatia** - Chief Operating Officer (Fertilisers)  
**Richa Arora** - Chief Operating Officer, Consumer Products Business

### INTERNATIONAL OPERATIONS

**DeLyle Bloomquist** – President, Global Chemicals Business  
**Martin Keighley** – Managing Director, Tata Chemicals North America  
**Dr. Martin Ashcroft** – Managing Director, Tata Chemicals Europe  
**Jackson Mbui** – Managing Director, Tata Chemicals Magadi

**General Counsel and Company Secretary**  
 Rajiv Chandan

**Auditors**  
 Deloitte Haskins & Sells LLP  
 Chartered Accountants

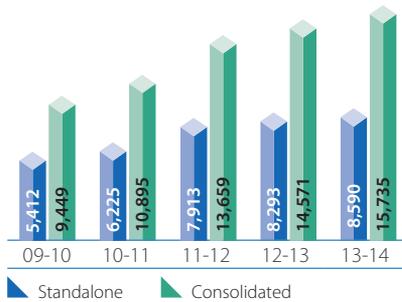
**Solicitors**

- ▶ AZB & Partners
- ▶ Mulla & Mulla and Craigie, Blunt & Caroe
- ▶ Amarchand & Mangaldas & Suresh A. Shroff & Co.

**Registrar & Transfer Agents**  
 TSR Darashaw Private Limited  
 6-10 Haji Moosa Patrawala Industrial Estate,  
 20, Dr. E. Moses Road, Mahalaxmi,  
 Mumbai 400 011

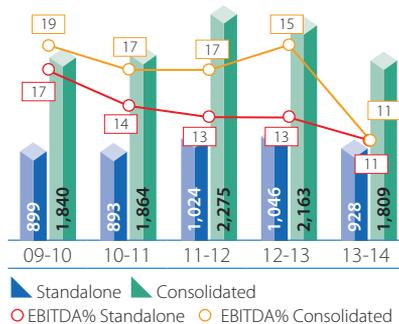
# Financial Highlights

## TURNOVER\*



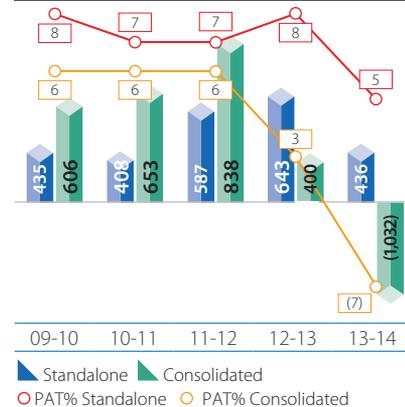
CAGR: Standalone = 12%  
Consolidated = 14%

## EBITDA AND EBITDA %\*\*



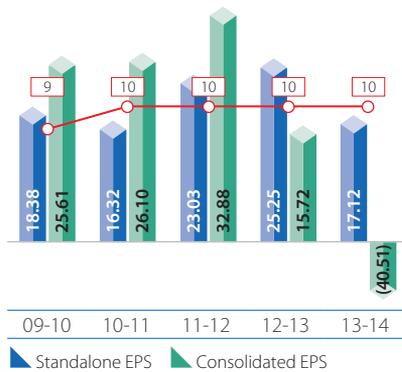
CAGR: Standalone = 1%  
Consolidated = (0.42%)

## PAT AND PAT %@



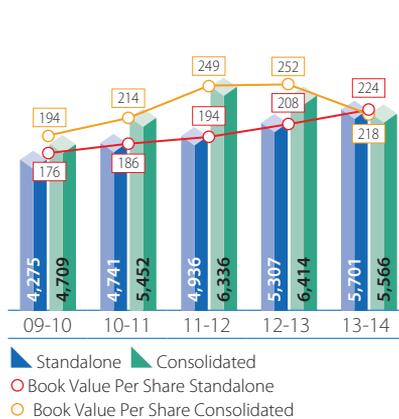
(₹ in crore except per share data, EBITDA %, PAT %, Return on Invested Capital and Net Debt/EBITDA)

## EARNINGS PER SHARE (EPS)® AND DIVIDEND PER SHARE (DPS)



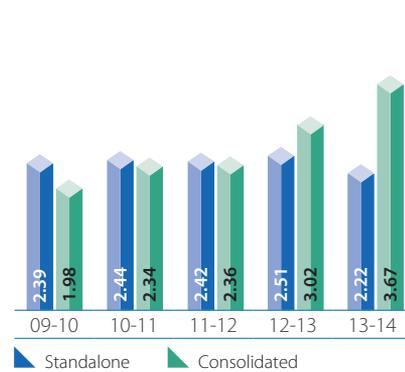
Standalone EPS Consolidated EPS  
Dividend Per Share %

## NET WORTH AND BOOK VALUE (BV) PER SHARE



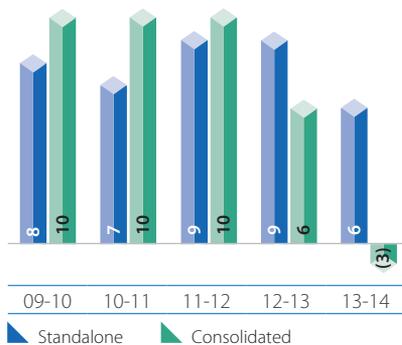
Standalone Consolidated  
Book Value Per Share Standalone  
Book Value Per Share Consolidated

## NET DEBT# / EBITDA\*\*



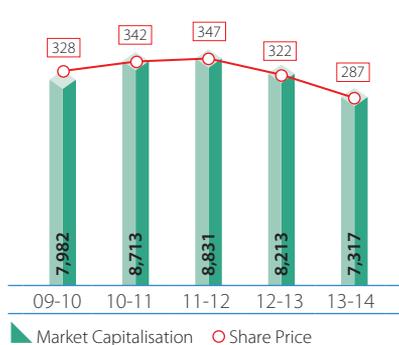
Standalone Consolidated

## % RETURN ON INVESTED CAPITAL\*\*\*



Standalone Consolidated

## MARKET CAPITALISATION AND SHARE PRICE



Market Capitalisation Share Price

\* Turnover= Income from Sales Less Excise Duty

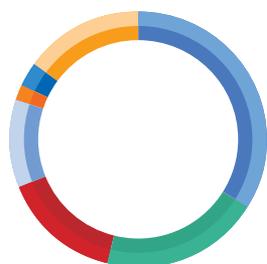
\*\* EBITDA excludes other income, foreign exchange losses on borrowings (net), voluntary retirement scheme cost, impairment losses, actuarial gains/ losses for overseas pension liabilities, restructuring costs and provision for diminution in the value of investment.

@ 2012-13 figure includes ₹ 245 crore exchange gain on redemption of investment

# Net debt = long-term borrowings + short term borrowings + current maturities of long term debts and finance lease obligations - cash and cash equivalents - current investments

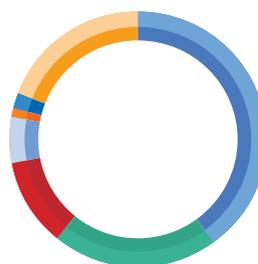
\*\*\* Return on Invested Capital = [(PAT + minority interest + interest - tax on interest) / (shareholders' funds + borrowings + minority interest)]

## REVENUE BREAKUP - STANDALONE



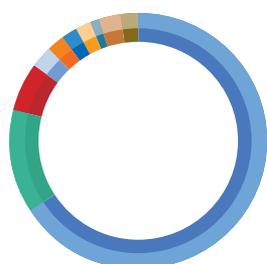
Complex Fertilisers	34%
Urea	20%
Soda Ash	15%
Vacuum and Iodised Salt	11%
Cement	2%
Other Income	3%
Others	15%

## REVENUE BREAKUP - CONSOLIDATED



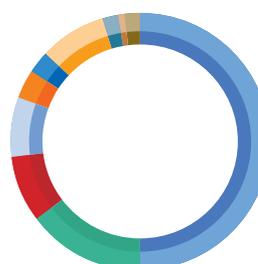
Soda Ash	40%
Complex Fertilisers	21%
Urea	11%
Vacuum and Iodised Salt	6%
Cement	1%
Other Income	2%
Others	19%

## DISTRIBUTION OF TOTAL INCOME - STANDALONE



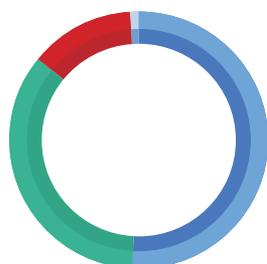
Materials	66%
Distribution	13%
Overheads	6%
Employees	3%
Interest	2%
Depreciation	2%
Exceptional Items	2%
Taxes	1%
Dividend	3%
Retention	2%

## DISTRIBUTION OF TOTAL INCOME - CONSOLIDATED



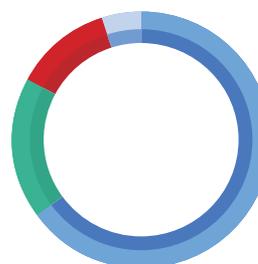
Materials	54%
Distribution	16%
Overheads	9%
Employees	8%
Interest	4%
Depreciation	3%
Exceptional Items	9%
Taxes	2%
Minority Interest	1%
Dividend	2%
Retention	(8%)

## SEGMENT REVENUE CONSOLIDATED



Chemicals	51%
Fertilisers	35%
Other Agri Inputs	13%
Others	1%

## GEOGRAPHICAL REVENUE CONSOLIDATED



Asia	65%
America	18%
Europe	12%
Africa	5%

## Awards and Accolades

During the year, we were recognised for our efforts. Key awards included:



### Corporate Sustainability & Safety Health & Environment

- Millennium Development Goals Award for the Magadi plant
- The prestigious CII- Efficient Energy Management Award for the Babrala plant
- The prestigious NSCI Suraksha Puraskar for the Babrala plant
- Eco Corporate of the Year Award at the prestigious Natural Capital Awards
- Council for Fair Business Practices Awards
- I.C.C. award for Water Resource Management in Chemical Industry

### Product

- Best Store Award for the Okhai store at Ahmedabad
- FICCI Chemicals and Petrochemical Award for Mithapur plant
- 3 awards at FAI Golden Jubilee Awards

### Communications & HR

- 2 awards at the 53rd ABCI awards
- A prestigious HR award for the Magadi plant
- Most Admired Knowledge Enterprise (MAKE) Award



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FIFTH ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Thursday, 21st August, 2014 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 Statement of Profit and Loss for the year ended 31st March, 2014 and Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. R. Gopalakrishnan (holding DIN 00027858), who retires by rotation and being eligible, offers himself for re-appointment and his term would be up to 25th December, 2015.
4. Appointment of statutory auditors of the Company and fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W – 100018), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventy Eighth (78th) AGM to be held in 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket and travelling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**5. Appointment of Mr. Nusli Wadia as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the

Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Nusli Wadia (holding DIN 00015731), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 up to 15th February, 2019."

**6. Appointment of Mr. Nasser Munjee as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Nasser Munjee (holding DIN 00010180), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 up to 20th August, 2019."

**7. Appointment of Mr. Eknath Kshirsagar as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Eknath Kshirsagar (holding DIN 00121824), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6)

## NOTICE

of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 up to 10th September, 2016."

**8. Appointment of Dr. Y. S. P. Thorat as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Dr. Y. S. P. Thorat (holding DIN 02652734), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 21st August, 2014 up to 20th August, 2019."

**9. Appointment of Dr. Vijay Kelkar as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Dr. Vijay Kelkar (holding DIN 00011991), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 21st August, 2014 up to 15th May, 2017."

**10. Re-appointment of Mr. R. Mukundan as Managing Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof for the time being in force), the consent of the Company, be and is hereby accorded to the re-appointment and terms of remuneration of Mr. R. Mukundan (holding DIN 00778253) as a Managing Director of the Company for a period of 5 years, with effect from 26th November, 2013 upto 25th November, 2018, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as may be agreed to between the Board and Mr. Mukundan.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."

**11. Re-appointment of Mr. P. K. Ghose as an Executive Director & CFO of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereof for the time being in force), the consent of the Company, be and is hereby accorded to the re-appointment and terms of remuneration of Mr. P. K. Ghose (holding DIN 00034945) as an Executive Director & CFO of the Company with effect from 26th November,

2013 upto 30th September, 2015 (till he attains the retirement age), upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment/remuneration in such manner as may be agreed to between the Board and Mr. Ghose.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."

#### 12. Ratification of Remuneration of Cost Auditor

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 9,00,000 plus service tax and out-of-pocket expenses payable to M/s. N. I. Mehta & Co., Cost Accountants and ₹ 1,20,000 plus service tax and out-of-pocket expenses payable to M/s. Ramanath Iyer & Co; Cost Accountants, who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to cost records of the Company for the year ending 31st March, 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 13. Approve borrowing limits of the Company

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 69th Annual General Meeting held on 4th August, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) for the time being in force) and Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to borrow monies in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 5,500 crore (Rupees five thousand five hundred crore only) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee."

#### 14. Creation of Charge on the assets of the Company

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 69th Annual General Meeting held on 4th August, 2008 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations,

## NOTICE

if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹ 5,500 crore (Rupees five thousand five hundred crore only) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee."

**15. Offer or invitation to subscribe to Non-Convertible Debentures on Private Placement**

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, the approval of members be and is hereby accorded to authorise the Board of Directors of the Company ('the Board') to offer or invite subscriptions

for Redeemable Non-Convertible Debentures, in one or more tranches, such that aggregate amount does not exceed ₹ 1,000 crore (Rupees one thousand crore only) on private placement on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company during a period of one year from the date of passing the Resolution and that the said borrowing is within the overall borrowing limit of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all the acts and to take all such steps as may be necessary to give effect to this resolution."

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

2. A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the AGM.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3. **Book Closure and Dividend:**

The Register of Members and the Share Transfer Books of the Company will be closed from 12th August, 2014 to 21st August, 2014, both days inclusive.

The dividend, if declared at the AGM, will be paid between 22nd August, 2014 to 29th August, 2014 to those persons or their mandates:

(a) whose names appear as Beneficial Owners as at the end of the business hours on 11th August, 2014

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 in the Register of Members of the Company on 11th August, 2014 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.

4. **National Electronic Clearing Service (NECS):**

- (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for the remittance of dividend. NECS facility is available at locations identified by the Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrars and Share Transfer Agents, TSR Darashaw Private Limited.
- (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the Members.

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. **Unclaimed Dividend:**

(a) **Transfer to General Revenue Account**

Pursuant to Section 205A(5) of the Companies Act, 1956 ("1956 Act"), all unclaimed dividend upto the Financial year ended 31st March, 1995 has been transferred to the General Revenue Account of the Central Government. Members, who have not yet encashed their dividend warrant 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**

(b) **Transfer to the Investor Education and Protection Fund**

Consequent upon amendment to Section 205A of the 1956 Act and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the dates they became first due for payment 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 years ended 31st March, 1996 to 31st March, 2006 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 1st June, 2004), for the financial year ended 31st December, 2003 have been transferred to the Fund. Members are requested to note that pursuant to Section 205(C) of the 1956 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

## NOTICE

they became first due for payment. Any person / member who has not claimed dividend in respect of the financial year ended 31st March, 2007 or any year thereafter is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same. It may be noted that the unpaid / unclaimed dividend for the financial year ended 31st March, 2007 declared by the Company on 27th July, 2007 can be claimed by the Members by 26th July, 2014.

It may also be noted that the unpaid / unclaimed dividend for the financial year ended 31st March, 2008 declared by the Company on 4th August, 2008 can be claimed by the Members by 3rd August, 2015.

**(c) Details of unclaimed dividend on the website**

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on 22nd August, 2012 (date of 73rd AGM) and 26th August, 2013 (date of 74th AGM), respectively on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz; [www.tatachemicals.com](http://www.tatachemicals.com)

7. 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's Registrar and Share Transfer Agents.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the AGM are annexed hereto and forms an integral part of the Notice.
9. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
10. **To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrars/ Depositories.**
11. **Voting through electronic means:**  
In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 75th AGM by electronic means and the business may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL):  
  
The instructions for e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/depository participants(s)]:
    - (i) Open email and open PDF file viz; "TCL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder – Login
    - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" (e-voting EVENT Number) of Tata Chemicals Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [tcl.scrutinizer@gmail.com](mailto:tcl.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ depository participants(s) or requesting physical copy]:
- (i) Initial password is provided in the enclosed ballot form: **EVEN** (e-voting EVENT Number)  
**User ID and Password.**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- (iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- (iv) **You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).**
- C. Other Instructions:
- (i) The e-voting period commences on 12th August, 2014 (9.00 a.m.) and ends on 14th August, 2014 (6.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 4th July, 2014, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 4th July, 2014.
- (iii) Mr. P. N. Parikh of M/s. Parikh & Associates, Practicing Company Secretaries, (Membership No. FCS-327), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the

- Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- (v) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.tatachemicals.com](http://www.tatachemicals.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges.
- (vi) Members who do not have access to e-voting facility may send duly completed Ballot Form enclosed with the Annual report so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. P. N. Parikh of M/s. Parikh & Associates, Practising Company Secretary (Membership No. FCS-327), at the Registered Office of the Company not later than 14th August, 2014 (6.00 p.m.).
- Ballot Form received after this date will be treated as invalid.
- (vii) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

**By Order of the Board of Directors**

**Rajiv Chandan**  
**General Counsel & Company Secretary**

Mumbai, 30th May, 2014

**Registered Office:**

Bombay House,

24, Homi Mody Street, Fort,

Mumbai 400 001

CIN:- L24239MH1939PLC002893

Email:- [investors@tatachemicals.com](mailto:investors@tatachemicals.com)

Website:- [www.tatachemicals.com](http://www.tatachemicals.com)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”)

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”), sets out all material facts relating to the business mentioned at Item Nos. 4 to 15 of the accompanying Notice dated 30th May, 2014.

### Item No. 4:

This Explanatory Statement is provided though strictly not required as per section 102 of the Act.

Deloitte Haskins & Sells (DHS) Chartered Accountants (CAs), (ICAI Firm’s Registration No. 117366W), Mumbai were appointed as the statutory auditors of the Company for Financial Year (FY) 2013-14 at the Annual General Meeting (AGM) of the Company held on 26th August, 2013. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP, (DHS LLP) Chartered Accountants (ICAI Firm’s Registration No. 117366W/W - 100018) with effect from 20th November, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated 30th April, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by DHS LLP.

DHS LLP have been the Auditors of the Company since FY 2008-09 and have completed a term of six years. Prior to this, Messrs. S. B. Billimoria & Co. (SBB) were the Auditors of the Company since 1939. SBB was an associate of DHS LLP. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, DHS LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 30th May, 2014, proposed the appointment of DHS LLP as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of

the seventy eighth (78th) AGM of the Company to be held in 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Ordinary Resolution set out at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the Resolution at Item No. 4 of the Notice.

### Item Nos. 5 to 9:

The Company had appointed Mr. Nusli Wadia, Mr. Nasser Munjee, Mr. Eknath Kshirsagar, Dr. Y. S. P. Thorat and Dr. Vijay Kelkar as Non-Executive Directors and were considered as Independent Directors under clause 49 of the Listing Agreement.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Nomination and Remuneration Committee has recommended the appointments of these Directors as Independent Directors for the following term:

Directors	Term
1. Mr. Nasser Munjee	For a period of five years from 21st August, 2014 upto 20th August, 2019.
2. Dr. Y. S. P. Thorat	
3. Mr. Nusli Wadia	From 21st August, 2014 to 15th February, 2019*
4. Mr. Eknath Kshirsagar	From 21st August, 2014 to 10th September, 2016*
5. Dr. Vijay Kelkar	From 21st August, 2014 to 15th May, 2017*

\*They will be retiring on attaining the age of 75 years in accordance with the Company’s retirement age policy for Directors.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, the

## NOTICE

above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours upto the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

**Mr. Nusli Wadia** is educated in the UK. Mr. Wadia is the Chairman of the Bombay Dyeing & Manufacturing Company Limited and heads the Wadia Group. He is also the Chairman/Trustee of various charitable institutions and non-profit organisation. Mr. Wadia has been on the Company's Board since 26th June, 1981 as an Independent Director.

**Mr. Nasser Munjee** holds a Bachelor's degree and a Master's degree from the London School of Economics, UK. He served with HDFC for over 20 years at various positions including as its Executive Director. He was the Managing Director of Infrastructure Development Finance Co. Ltd. (IDFC) up to March 2004. Presently he is the Chairman of Development Credit Bank (DCB) since June 2005 and is also on the Board of various multinational companies and Trusts. Mr. Munjee is a Technical Advisor on the World Bank-Public Private Partnership Infrastructure and Advisory Fund. Mr. Munjee has been on the Company's Board since 25th September, 2006 as an Independent Director.

**Mr. Eknath Kshirsagar** is a fellow of the Institute of Chartered Accountants in England and Wales. He has wide experience in corporate strategy and structure, valuation, feasibility studies, disinvestment and mergers and acquisitions. He was associated with the management consultancy division of A.F. Ferguson for over three decades and retired in 2004 as a senior partner. Mr. Kshirsagar serves on the Boards of several leading Indian public companies. Mr. Kshirsagar has been on the Company's Board since 26th November, 2008 as an Independent Director.

**Dr. Y. S. P. Thorat** holds a Doctorate in Economics and degrees in Political Science and Law. Dr. Thorat served RBI from 1972 to 2003 in various capacities, including as Executive Director. He has also served NABARD as Managing Director from 2004 and was appointed as its Chairman in 2006 and served the Institution in that capacity until November 2007. He has been recently appointed by the Government of Maharashtra as Executive Chairman of the Dry Land Farming Commission and Chairman of the Agriculture Universities Recruitment Board. Presently, Dr. Thorat is on the Boards of several companies. Dr. Thorat has been on the Company's Board since 8th January, 2010 as an Independent Director.

**Dr. Vijay Kelkar** has done PhD from the University of California at Berkeley. Dr. Kelkar joined the Planning Commission in 1973 and thereafter the Commerce Ministry in 1977 as Economic Advisor, and has since then served in various posts including Secretary to the Economic Advisory Council to the Prime Minister between 1985 and 1988. In 1994, he served as Petroleum Secretary and was made Finance Secretary in 1998. He was an Executive Director in the International Monetary Fund (IMF), overseeing its operations in South Asia during 2000-02. Dr. Kelkar has retired as Chairman, Finance Commission, in the rank of a Union Cabinet Minister. He has held several other key positions in the Government of India. In January 2011, the President of India awarded Dr. Kelkar "Padma Vibhushan", the second highest Civilian Award for distinguished and exceptional service to the Nation. Dr. Kelkar has been on the Company's Board since 30th May, 2012 as an Independent Director.

The Board commends the Ordinary Resolutions set out at Items Nos. 5 to 9 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 5 to 9 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, in the Resolutions mentioned at Items Nos. 5 to 9 of the Notice

**Item No. 10 & 11:****A. MR. R. MUKUNDAN:**

Mr. R. Mukundan was appointed as the Managing Director of the Company for a period of 5 years with effect from 26th November, 2008. The Board, at its meeting held on

11th November, 2013, had passed a resolution and re-appointed Mr. R. Mukundan as the Managing Director of the Company for a further period of 5 years with effect from 26th November, 2013 upto 25th November, 2018.

Mr. Mukundan is an MBA from FMS, Delhi University and BE-Electrical Engineering from IIT, Roorkee. He has attended the Advanced Management Programme at Harvard Business School. He joined the Tata Administrative Service in 1990. He joined Tata Chemicals Limited (TCL) in 2001 and has led various functions like strategy and business development, corporate quality, corporate planning and manufacturing before taking over as the Chief Operating Officer of the chemicals business of the Company. He played an active role in the TCL transformation efforts in 2002, and also in the growth of domestic business as well as acquisition of new facilities in United Kingdom, Kenya and United States.

(a) The principal terms and conditions of re-appointment of Mr. Mukundan as the Managing Director are as follows:

**(i) Period:**

For a period of 5 years effective from 26th November, 2013 upto 25th November, 2018.

**(ii) Nature of Duties:**

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

Mr. Mukundan undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions

and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

**(iii) a. Remuneration:**

Salary - ₹ 5,50,000/- per month in the scale of ₹ 5,50,000/- to ₹ 8,00,000/- per month. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's performance; Incentive Remuneration and/or Commission based on certain performance criteria to be laid down by the Board; Benefits, Perquisites, Allowances as may be determined from time to time.

**b. Minimum Remuneration:**

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

**B. MR. P. K. GHOSE:**

Mr. P. K. Ghose was appointed as an Executive Director & CFO of the Company for a period of 5 years with effect from 26th November, 2008. The Board, at its meeting held on 11th November, 2013 had passed a resolution and re-appointed Mr. Ghose as an Executive Director and CFO of the Company with effect from 26th November, 2013 upto 30th September, 2015 (till he attains the retirement age).

Mr. Ghose is an Honours Graduate in Commerce and a member of the Institute of Cost and Works Accountants of India, the Institute of Company Secretaries of India and is an alumnus of the Advanced International General Management Programme of INSEAD, France. He joined the Company in 2002 as CFO. He was elevated as Executive Vice President & CFO in 2007. Prior to joining Tata Chemicals Limited, he was with Tata Steel Limited

## NOTICE

and worked with Tata Steel for three decades in several senior positions, including General Manager (Accounts), Chief Financial Controller (Corporate) and Chief of Strategic Finance.

(b) The principal terms and conditions of re-appointment of Mr. P. K. Ghose as an Executive Director & CFO are as follows:

**(i) Period:**

From 26th November, 2013 upto 30th September, 2015.

**(ii) Nature of Duties:**

Mr. Ghose shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/ or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/ or joint ventures and / or subsidiaries, including performing duties as assigned by the Managing Director and/ or the Board from time to time by serving on the boards of such associated companies and / or joint ventures and / or subsidiaries or any other executive body or any committee of such a company. Mr. Ghose shall not exceed the powers so delegated by the Managing Director and/ or Board pursuant to this clause.

Mr. Ghose undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Managing Director and/ or the Board.

**(iii) a. Remuneration:**

Salary - ₹ 4,30,000/- per month in the scale of ₹ 4,30,000/- to ₹ 7,00,000/- per month. The annual increments which will be effective 1st

April each year, will be decided by the Board and will be merit-based and take into account the Company's performance; Incentive Remuneration and/ or Commission based on certain performance criteria to be laid down by the Board; Benefits, Perquisites, Allowances as may be determined from time to time.

**b. Minimum Remuneration:**

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

(c) The Board is of the view that the re-appointment of Mr. Mukundan as the Managing Director and Mr. Ghose as an Executive Director and CFO will greatly benefit the operations of the Company and the remuneration payable to them is commensurate with their abilities and experience.

(d) The terms and conditions of appointment of Mr. Mukundan and Mr. Ghose (hereinafter referred to as " the Appointees") also include, inter-alia, following principal clauses:

(i) The Appointees shall adhere with the Tata Code of Conduct, intellectual property, non competition, no conflict of interest with the Company and maintenance of confidentiality.

(ii) The Appointees shall not become interested or otherwise concerned, directly or indirectly through their respective spouse and /or children, in any selling agency of the Company.

(iii) These appointments may be terminated by either party by giving six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.

(iv) The employment of the Appointees may be terminated by the Company without notice or payment in lieu of Notice:

- a. If the Appointees are found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or joint venture or associated company to which they are required by the Agreement to render services; or
- b. In the event of any serious or repeated or continuing breach (after prior warning) or non observance by the Appointees of any of the stipulations contained in the Agreement to be executed between the Company and the Appointees; or
- c. In the event the Board expresses its loss of confidence in the Appointees.
- (v) In the event the Appointees are not in a position to discharge their official duties due to any physical or mental incapacity, the Board shall be entitled to terminate their contracts on such terms as the Board may consider appropriate in the circumstances.
- (vi) Upon termination of the Appointees' employment, by whatever means:
- a. The Appointees shall immediately cease to hold the offices held by them in any subsidiaries and associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act.
- b. The Appointees shall not without the consent of the Company at any time thereafter represent themselves as connected with the Company or any of the subsidiaries, joint ventures or associated companies.
- (vii) The Appointees are appointed as Directors by virtue of their employment in the Company and their appointment shall be subject to the provisions of Section 167(1)(h) of the Act.
- (viii) If and when the Agreements expire or are terminated for any reason whatsoever, the Appointees shall cease to be the Managing Director / Executive Director, as the case may be, and also cease to be the Directors, if at any time, the Appointees cease to be the Directors of the Company for any reason whatsoever, they shall cease to be the Managing Director / Executive Director, as the case may be, and the Agreements shall forthwith terminate. If at any time the Appointees shall cease to be in the employment of the Company for any reason whatsoever, they shall cease to be the Managing Director / Executive Director, as the case may be.
- (ix) The terms and conditions of the appointments may be altered or varied from time to time by the Board of Directors, as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act, or amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Appointees, subject to such approvals as may be required.
- (x) All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Appointees unless specifically provided otherwise.
- (xi) In compliance with the provisions of Sections 196 & 197 and any other applicable provisions of the Act read with the Schedule V to the Act, the re-appointment and terms of remuneration specified above of the Appointees are now being placed before the Members for their approval.
- (e) Abstract in terms of Section 302 of the Companies Act, 1956 pertaining to the terms of appointment and remuneration payable to Mr. Mukundan and Mr. Ghose was duly sent to the members in the month of November, 2013.
- The Board commends the Ordinary Resolutions at Item Nos.10 and 11 of the Notice for approval by the Members.
- None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, in the

## NOTICE

said Resolutions, except for Mr. Mukundan and Mr. Ghose, in Resolution at Item Nos. 10 and 11 of the Notice.

**Item No. 12:**

The cost audit of the products such as Soda Ash, Caustic Soda, Chemicals, Fertilisers, Cement, etc. is conducted by the cost auditors.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 as per the following details:

Sr. No.	Name of the Cost Auditor	Audit Fees
1.	M/s. N.I. Mehta & Co; Cost Accountants	₹ 9,00,000
2.	M/s. Ramanath Iyer & Co; Cost Accountants	₹ 1,20,000

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No. 12 of the Notice.

**Item no. 13 & 14:**

The members of the Company at their 69th Annual General Meeting held on 4th August, 2008 had approved by way of an Ordinary Resolutions under Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956, for borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of

₹ 5,500 crore and to create charge / mortgage / hypothecation on the Company's assets, both present and future, in favour of the lenders / trustees for the holders of debentures / bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) respectively.

Under the provisions of Section 180(1)(c) and Section 180(1)(a) of the Act, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification dated 25th March, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. upto 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company and to create charge / mortgage / hypothecation of the Company's assets, both present and future, in favour of the lenders, trustees for the holders of the debentures / bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The approval for borrowing limit being sought is ₹ 5,500 crore or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher, and to create charge / mortgage / hypothecation on the Company's assets to secure such borrowings, under Section 180(1)(c) and 180(1)(a) of the Act.

The Board commends the Special Resolution set out at Item Nos. 13 & 14 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item Nos. 13 and 14.

**Item no. 15:**

Section 42 of the Act read along with sub rule (2) of the Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 states that in case of an offer or invitation to subscribe the Non-Convertible Debentures on Private Placement the Company shall

obtain prior approval of Members by Special resolution only once in a year for all the offers or invitations for such Debentures during the year.

In order to augment the long term resources for financing and for general corporate purposes, the Company may offer or invite subscriptions for Non-Convertible Debentures in one or more tranches on private placement, issuable / redeemable at par.

Accordingly, the consent of members is sought for passing a Special Resolution as set out at Item No. 15 of the Notice pursuant to Sections 42, 71 and other applicable provisions of the Act, read together with the Rules framed thereunder. This resolution enables the Board of Directors of the Company to offer or invite subscriptions for Non-Convertible Debentures, as may be required by the Company from time to time for a year.

The Board commends the Special Resolution at Item No. 15 of the Notice for approval by the members.

The Directors of the Company who are directors or members of other companies may be deemed to be concerned or interested in

the said Resolution to the extent of Non-Convertible Debentures that may be subscribed to by such companies. Other than this, none of the Directors, Members, Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, in the Resolution mentioned at Item No. 15 of the Notice.

**By Order of the Board of Directors**

**Rajiv Chandan**  
**General Counsel & Company Secretary**

Mumbai, 30th May, 2014

**Registered Office:**

Bombay House,

24, Homi Mody Street, Fort,

Mumbai 400 001

CIN:- L24239MH1939PLC002893

Email:- [investors@tatachemicals.com](mailto:investors@tatachemicals.com)

Website:- [www.tatachemicals.com](http://www.tatachemicals.com)

**ANNEXURES**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

Name of Directors	Mr. R. Gopalakrishnan	Mr. Nusli N. Wadia	Mr. Nasser Munjee	Mr. Eknath Kshirsagar
<b>Date of Birth</b>	25.12.1945	15.02.1944	18.11.1952	10.09.1941
<b>Date of Appointment on the Board</b>	30.10.1998	26.06.1981	25.09.2006	26.11.2008
<b>Qualifications</b>	B.Sc (Hons.), B.Tech (Hons.) in Electronics from IIT Kharagpur	Educated in U.K	B.Sc (Hons.) and MSC. (Econ) – London School of Economics	Fellow Member of The Institute of Chartered Accountants of India and The Institute of Chartered Accountants, England and Wales.
<b>Expertise</b>	Wide Experience in Marketing and General Management	Eminent Industrialist with rich business experience.	Eminent Economist, Banker and Consultant on Infrastructure	Wide experience in the field of Corporate Strategy & Structuring, Merger & Acquisitions, Valuations and Feasibility
<b>Directorship held in other Public Companies (excluding foreign and Section 25 companies)</b>	<ul style="list-style-type: none"> <li>• Tata Sons Limited</li> <li>• The Tata Power Company Limited</li> <li>• Rallis India Limited</li> <li>• Tata Autocomp Systems Limited</li> <li>• Tata Technologies Limited</li> <li>• Akzo Nobel India Limited</li> <li>• Castrol India Limited</li> <li>• Advinus Therapeutics Limited</li> <li>• Metahelix Life Sciences Limited</li> </ul>	<ul style="list-style-type: none"> <li>• The Bombay Dyeing &amp; Mfg Co. Limited</li> <li>• Wadia Techno-Engineering Services Limited</li> <li>• The Bombay Burmah Trading Corp Limited</li> <li>• Britannia Industries Limited</li> <li>• Tata Steel Limited</li> <li>• Tata Motors Limited</li> <li>• Go Airlines (India) Limited</li> </ul>	<ul style="list-style-type: none"> <li>• ABB India Limited</li> <li>• Ambuja Cements Limited</li> <li>• Britannia Industries Limited</li> <li>• Cummins India Limited</li> <li>• Development Credit Bank Limited</li> <li>• HDFC Limited</li> <li>• Go Airlines (India) Limited</li> <li>• Tata Motors Limited</li> <li>• Tata Motor Finance Limited</li> <li>• Unichem Laboratories Ltd</li> <li>• Voltas Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Batliboi Limited</li> <li>• JM Financial Limited</li> <li>• Manappuram Finance Limited</li> <li>• Merck Limited</li> <li>• Rallis India Limited</li> <li>• JM Financial Products Limited</li> </ul>
<b>Membership of Committees in other public companies (includes only Audit and Stakeholders Relationship Committee)</b>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Akzo Nobel India Limited</li> <li>• Castrol India Limited</li> </ul>	NIL	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• ABB India Limited</li> <li>• Ambuja Cements Limited</li> <li>• Britannia Industries Limited</li> <li>• Cummins India Limited</li> <li>• Tata Motors Limited</li> <li>• Unichem Laboratories Limited</li> <li>• Voltas Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Batliboi Limited</li> <li>• JM Financial Limited</li> <li>• Rallis India Limited</li> <li>• Merck Limited</li> <li>• JM Financial Products Limited</li> <li>• Manappuram Finance Limited</li> </ul> <b>Stakeholders Relationship Committee</b> <ul style="list-style-type: none"> <li>• Rallis India Limited</li> </ul>
<b>Shareholding of Directors</b>	15,000	NIL	NIL	NIL

Name of Directors	Dr. Y. S. P. Thorat	Dr. Vijay Kelkar	Mr. R. Mukundan	Mr. P. K. Ghose
<b>Date of Birth</b>	11.11.1947	15.05.1942	19.09.1966	03.09.1950
<b>Date of Appointment on the Board</b>	08.01.2010	30.05.2012	26.11.2008	26.11.2008
<b>Qualifications</b>	Ph.D –Shivaji University, Degree in Political Science, Degree in Law	B.S. from University of Pune, M.S. from University of Minnesota, U.S.A., PhD in Development Economics from the University of California at Berkeley	B.E (Electrical Engineer) from IIT, Roorkee and MBA from FMS, Delhi University. Also attended the Advanced Management Programme at Harvard Business School in 2008.	Honours Graduate in Commerce, member of The Institute of Cost & Works Accountants of India, a member of The Institute of Company secretaries of India and is alumnus of the Advanced International General Management Programme of (INSEAD) France.
<b>Expertise</b>	Wide experience in banking, rural credit co-operatives, micro finance.	Economic Advisor – Ministry of Commerce, Executive Director – International Monetary Fund, Chairman-Tariff Commission, Petroleum Secretary, Finance Secretary.	Wide experience in the field of Strategy & Business Development, Corporate Quality & Business Excellence, Corporate Planning and Manufacturing	Wide Experience in the field of Corporate Finance and Accounts.
<b>Directorship held in other Public Companies (excluding foreign and Section 25 companies)</b>	<ul style="list-style-type: none"> <li>• Khed Developers Limited</li> <li>• Sahyog Microfinance Limited</li> <li>• Star Agri Warehousing and Collateral Management Limited</li> <li>• IDBI Asset Management Limited</li> <li>• Rallis India Limited</li> <li>• Gokaldas Exports Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Green Infra Limited</li> <li>• Britannia Industries Limited</li> <li>• Go Airlines (India) Limited</li> <li>• JM Financial Limited</li> <li>• JSW Steel Limited</li> <li>• Lupin Limited</li> <li>• Tata Consultancy Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Tata International Limited</li> <li>• Rallis India Limited</li> <li>• Metahelix Life Sciences Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Tata Services Limited</li> <li>• Nelco Limited</li> <li>• Tata Power Renewable Energy Limited</li> <li>• Infiniti Retail Limited</li> </ul>
<b>Membership of Committees in other public companies (includes only Audit and Stakeholders Relationship Committee)</b>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Rallis India Limited</li> <li>• Sahyog Microfinance Limited</li> <li>• Star Agri Warehousing and Collateral Management Limited</li> <li>• Gokaldas Exports Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Tata Consultancy Limited</li> <li>• JM Financial Limited</li> </ul> <b>Stakeholders Relationship Committee</b> <ul style="list-style-type: none"> <li>• JM Financial Limited</li> <li>• Lupin Limited</li> </ul>	NIL	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Nelco Limited</li> <li>• Tata Services Limited</li> <li>• Tata Power Renewable Energy Limited</li> <li>• Infiniti Retail Limited</li> </ul>
<b>Shareholding of Directors</b>	NIL	NIL	500	NIL

## DIRECTORS' REPORT

### TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors present the seventy fifth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

#### 2014 – PLATINUM JUBILEE YEAR

Tata Chemicals Limited ('TCL' or 'the Company') began its long and passionate journey to serve society through science back in 1939 and has done so for nearly 75 years now. A pioneer in the production of synthetic soda ash in India, it became the second largest soda ash manufacturer in the world.

#### FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
<b>Total Income</b>	<b>8,892.56</b>	8,747.66	<b>16,037.85</b>	15,128.80
Profit before Depreciation and Exceptional items	<b>945.47</b>	1,208.72	<b>1,372.56</b>	2,116.78
Less : Depreciation	<b>158.82</b>	214.29	<b>471.24</b>	533.88
Less : Exceptional items	<b>217.77</b>	169.06	<b>1,420.21</b>	669.87
<b>(Loss) / Profit before tax</b>	<b>568.88</b>	825.37	<b>(518.89)</b>	913.03
Tax	<b>132.81</b>	182.05	<b>288.78</b>	302.52
<b>(Loss) / Profit after tax</b>	<b>436.07</b>	643.32	<b>(807.67)</b>	610.51
Share of Loss in Associates	-	-	<b>3.33</b>	3.08
Minority Interest	-	-	<b>221.00</b>	207.03
<b>(Loss) / Profit attributable to shareholders</b>	<b>436.07</b>	643.32	<b>(1,032.00)</b>	400.40
Add:				
Balance in Statement of Profit and Loss	<b>2,463.52</b>	2,178.99	<b>3,086.70</b>	3,078.33
Other Adjustments	<b>131.74</b>	-	-	-
<b>Amount available for Appropriation</b>	<b>3,031.33</b>	2,822.31	<b>2,054.70</b>	3,478.73
<b>Appropriations -</b>				
(a) Proposed Dividend	<b>254.76</b>	254.76	<b>254.76</b>	254.76
(b) Tax on Dividend	<b>40.98</b>	39.70	<b>44.96</b>	48.50
(c) General Reserve	<b>43.61</b>	64.33	<b>58.24</b>	76.27
(d) Debenture Redemption Reserve	-	-	-	12.50
(e) Transfer to Other Reserves	-	-	<b>1.11</b>	-
(f) Balance Carried forward	<b>2,691.98</b>	2,463.52	<b>1,695.63</b>	3,086.70
	<b>3,031.33</b>	2,822.31	<b>2,054.70</b>	3,478.73

#### DIVIDEND

For the year under review, the Directors have recommended a dividend of ₹ 10 per share (₹ 10 per share for the previous year) on the Ordinary Shares of the Company aggregating to ₹ 295.74 crore [including Dividend Tax (net)]. The dividend payment is subject to approval of the Members at the ensuing Annual General Meeting.

#### COMPANY'S PERFORMANCE

The net revenue from the operations of the Company increased from ₹ 8,382.06 crore to ₹ 8,689.64 crore, registering a growth of 3.7% over the previous year. The earnings before interest, depreciation, tax and amortisation (EBITDA) was at ₹ 927.87 crore

The Company became the national leader in the branded salt category reaching over 7.5 crore households. TCL is also a national leader in the branded pulses segment and launched the first indigenous nano tech water purifier. The Company along with its subsidiary, Rallis India Limited, has built significant presence in crop nutrition and crop protection areas and has over 2 crore farmer connect.

The Directors wish to express their sincere gratitude to all the stakeholders, including shareholders, customers, Company's Union, employees, Government authorities and partners of the Company, for their support and unstinted loyalty in making this long, at times difficult journey, a successful and enriching one.

as against ₹ 1,046.37 crore, down 11.3% over the previous year. Profit before tax was ₹ 568.88 crore whereas the profit after tax was at ₹ 436.07 crore, down 31.1% and 32.2% respectively, over the previous year.

The consolidated net revenue from the operations increased from ₹ 14,711.02 crore to ₹ 15,895.43 crore, an increase of 8% over the previous year. EBITDA was at ₹ 1,809.43 crore as against ₹ 2,162.91 crore, down 16.3% over the previous year. The loss before tax was ₹ 518.89 crore whereas the loss after tax before minority interest and share of loss in associates was at ₹ 807.67 crore. Loss attributable to the Group after deducting the minority interest and share of loss in associate was at ₹ 1,032.00 crore. The reported

loss was largely on account of exceptional items aggregating to ₹ 1,420.21 crore (net) primarily towards impairment of certain assets, restructuring cost, write down of goodwill and certain investments and exchange loss.

The Company's operation is organised under four segments i.e. (1) Inorganic Chemicals comprising soda ash, salt, sodium bicarbonate, marine chemicals, caustic soda and cement; (2) Fertilisers comprising fertilisers and other traded products; (3) Other Agri-inputs including Rallis India Limited's operations and (4) Others - comprising water purifier, nutritional solutions and pulses. Performance of these businesses are as under:

## 1. INORGANIC CHEMICALS SEGMENT

### 1.1 India Operations:

The Company's industrial chemicals operation is primarily built around soda ash, sodium bicarbonate, cement and allied traded products. On a macro-economic front, Financial Year (FY) 2013-14 has been a story of two halves; while the first half was about high pipeline inventories and volatile economic conditions, the second half was about rebounding industrial sentiment.

The year also witnessed record volumes of imports from China in the first half. Pricing pressures prevailed in the market, driven by tightening market conditions and increased cost pressures. In line with the existing competencies of customer-connect, quality products and distribution reach, the Company has been actively engaged in trading activities in the inorganic chemicals space. The trading portfolio, consisting of new and allied chemicals, will help the Company in exploring new growth areas while catering to a larger portion of the customer's basket.

#### SODA ASH

FY 2013-14 saw a 2% de-growth in the domestic soda ash market. On the back of very strong growth in the previous year, pipeline inventories remained high through the first half of the year. By the end of the second half, stocks had been utilised for most end user sectors.

From a manufacturing perspective, despite unfavourable weather conditions, production was 798,897 tonnes of soda ash at Mithapur. The total sales volume for the year stood at 750,747 tonnes against 714,519 tonnes in the previous year. As a continuation of the Company's soda ash strategy towards supporting customer specific requirements and servicing market growth, sourcing of material from the subsidiary companies increased for the year.

The first half witnessed high imports at lower price levels in the market. Imports decreased in the second half due

to realignment of trade flows, anti-dumping duties and shift in focus towards margins of Chinese producers. A total of 560,000 tonnes imports were recorded for the year; most of these were from Kenya, China, Bulgaria, Romania and Turkey.

Apart from robust continuous improvement programmes and customer partnership initiatives, focus was laid upon leveraging IT for driving customer service levels. The Company's initiatives around sustainable supply chain continued with increased transportation of bulk material. Initiatives around manufacturing site and employee engagement are showing positive results evidenced by reduced attrition at the site.

#### SODIUM BICARBONATE

Post a very high market growth in FY 2012-13, FY 2013-14 registered a 2.1% market growth in sodium bicarbonate. Sodium bicarbonate imports touched an all-time high of 29,000 tonnes against 20,000 tonnes in the previous year. Despite this, the Company has been able to maintain more than 50% market share on the back of higher production.

Sodium bicarbonate production for the year stood at 90,331 tonnes against 87,924 tonnes in the previous year. The overall sales volume for sodium bicarbonate was 86,570 tonnes for the year. Imports for the year were skewed with very high import volumes in the first half. A strong dollar and increased Chinese domestic demand substantially decreased imports in the second half. Of the total imports, China accounted for 93% volumes.

During the year, the Company continued to invest in the branded offerings of sodium bicarbonate; branded volumes now account for 23% of the bicarbonate portfolio. This is in line with the Company's strategy to offer value added branded variants as the domestic market matures and grows over a period of time and is consistent with its global portfolio for this product.

#### CEMENT

The domestic cement market faced a slump in demand during the year. Sentiment remained very weak in the market with sustained price pressures for a major part of the year. Consolidation in the industry and extended discounts from major players also affected the business. The Gujarat cement market declined by 2.8% to 534,000 tonnes during the year.

Production of 460,275 tonnes Ordinary Portland Cement (OPC) and 79,574 tonnes masonry cement was achieved during the year. The sales volume of OPC and masonry cement were at 454,280 tonnes and 79,513 tonnes respectively during the year. Considering the volumes of

## DIRECTORS' REPORT

cement, evaluations are currently underway to develop niche grades of cement and allied downstream offerings.

### SALT AND RELATED PRODUCTS

Salt production of 805,637 tonnes was achieved at Mithapur during the year as against the previous year production of 805,388 tonnes. Overall, branded salt sales marginally grew from 935,579 tonnes in FY 2012-13 to 939,981 tonnes in FY 2013-14. Sales of Tata Salt grew by 4% in volume from 728,829 tonnes in FY 2012-13 to 754,955 tonnes in FY 2013-14. Tata Salt continues to be the largest distributed brand with a reach of 14.5 lakh retail outlets across India.

Sales of I-Shakti salt in FY 2013-14 was 162,930 tonnes. I-Shakti salt continues to meet the iodisation movement, complimenting Tata Salt. The Company's market share of its salt portfolio has increased to 67.9% in the National Branded Salt segment, up from 66.8% in FY 2012-13. Sales of Tata Salt Lite grew by 11% in volume from 10,883 tonnes in FY 2012-13 to 12,111 tonnes in FY 2013-14.

I-Shakti cooking soda sales showed an encouraging growth of 73% with sales of 3,302 tonnes during the year as compared to 1,908 tonnes in the previous year.

The business continues to work towards new product introduction through salt variants and development of other categories.

## 1.2 Overseas Operations

### 1.2.1 Tata Chemicals North America Inc. (TCNA)

Soda ash production at TCNA during the year were 23,607,000 tonnes as against the previous year volume of 23,316,000 tonnes.

Sales volume for the year increased to 23,899,000 tonnes as against 23,431,000 tonnes in the previous year showing a positive volume of 468,000 tonnes.

TCNA gross revenues (including freight costs) were marginally down at USD 471.87 million (₹ 2,853.55 crore) as against USD 478.73 million (₹ 2,604.64 crore) in the previous year. The average unit selling price was down, driven primarily by decreased exports prices.

EBIDTA, profit before tax and profit after tax were at USD 109.48 million (₹ 662.07 crore), USD 69.06 million (₹ 417.65 crore) and USD 37.87 million (₹ 229.01 crore) respectively. The results were impacted due to increase in cost of goods sold which primarily consists of labour, energy, materials, royalties and depreciation, increased by USD 3.6 million (₹ 21.77 crore) over the previous year. Interest expense and financing fees were USD 8.13 million (₹ 49.16 crore)

higher than last year driven by refinancing the existing USD 375 million (₹ 2,246.81 crore) Senior syndicated facility, replacing with a USD 340 million (₹ 2,037.11 crore) credit facility.

### 1.2.2 Tata Chemicals Europe (TCE)

During the year, TCE ceased operation of its soda ash facilities at Winnington while investing in increased sodium bicarbonate capacity and quality improvements at the same to feed the growing high value sodium bicarbonate sectors. The new sodium bicarbonate plant is now on line. The UK market declined in size somewhat post-recession, but volumes rebounded during the course of the year from lows in the first quarter of 2013. Turnover for the year was at £142.6 million (₹ 1,372.35 crore), 3% lower than in FY 2012-13. TCE continues to supply its soda ash customer base from its operation at Lostock and through a dedicated import facility in the UK.

Meanwhile, TCE's salt business saw a challenging environment, but nevertheless continued with strong market share throughout the period. Turnover for the year was at £42.4 million (₹ 408.05 crore). TCE also acquired the Combined Heat and Power (CHP) plant at Winnington from EON, which is a state-of-the-art facility supplying electricity and steam to the Lostock operations. The power plant operation continues to be operated and maintained by EON under contract to TCE. Energy prices during winter FY 2013-14 made for difficult economics with a mild winter and high wind generation making gas fired generation marginal at best.

Reconfiguration of the CHP plant will optimise its heat and power efficiency during 2015 and in the meantime regulatory changes and lower gas prices are expected to benefit TCE in FY 2014-15 and beyond.

During FY 2014-15, the final stages of the restructuring programme will be completed in TCE and growth in the high value sodium bicarbonate business is expected to increase significantly from FY 2013-14 levels.

Total turnover of TCE for the year is £191.4 million (₹ 1,842.45 crore), EBITDA stood at loss of £1.77 million (₹ 17 crore). TCE posted a net loss after tax of £36.99 million (₹ 356.01 crore) for the year after charging off £25.18 million (₹ 242.28 crore) towards exceptional items pertaining to restructuring of Winnington Plant.

### 1.2.3 Tata Chemicals Magadi Limited (TCML)

Turnover of TCML for the year ended 31st March, 2014 was USD 105.18 million (₹ 636.05 crore) as compared

to the previous year's figure of USD 105.73 million (₹ 575.24 crore). TCML incurred the loss of USD 77.66 million (₹ 469.63 crore) during the year as against the loss of USD 22.29 million (₹ 121.27 crore) during the previous year.

The results were impacted due to missed production targets caused by worsening plant efficiencies, significant decrease in prices during the year and increased costs of sales. The cost of sales increased by 68.8% to USD 116.05 million (₹ 701.78 crore) during the year from USD 68.73 million (₹ 373.94 crore) in the previous year primarily due to rising energy costs.

High energy costs ultimately led to a downward revision of cash flow projections for the Premium Ash (PAM) plant at Magadi, thus, resulting in a provision towards impairment of assets of USD 50.69 million (₹ 304.42 crore) which also contributed to the loss for the year ended 31st March, 2014.

#### 1.2.4 Tata Chemicals International Pte Limited (TCIPL)

TCIPL commenced trading in April, 2013 and recorded sales of USD 31.4 million (₹ 189.82 crore) through the purchase and sale of 135,312 tonnes of soda ash and heavy fuel oil between a mixture of related and third party customers and suppliers. In addition to trading goods, TCIPL is the International Headquarters for Tata Chemicals and holds the investments in the UK, Kenya and USA and provides strategy and business support to its subsidiaries, including raising of finance.

## 2. FERTILISER SEGMENT

### 2.1 CROP NUTRITION AND AGRI BUSINESS

Crop Nutrition and Agri business comprises nitrogenous fertilisers i.e. urea manufactured at Babrala plant and phosphatic fertilisers like Di-ammonium Phosphate (DAP), NPK and Single Super Phosphate (SSP) manufactured at the Haldia plant. In addition to these, the Company imports and sells Muriate of Potash (MOP), DAP and supplies other crop nutrition products like Specialty Fertilisers and organic materials. It also includes a Customised Fertiliser plant at Babrala, the first of its kind in India.

#### Urea

During the year, the Babrala plant achieved a total urea production of 1,137,504 tonnes, higher by 10,083 tonnes compared to the previous year. The specific energy consumption level of plant improved during the year to 5.203 GCal / tonne as against 5.218 GCal/tonne, aided by lesser number of interruptions.

#### Complex Fertilisers (DAP / NPK / SSP)

During the year, the Haldia plant achieved a combined production of 727,114 tonnes of complex fertilisers as against the previous year's production of 661,149 tonnes. The sales of complex fertilisers were 718,182 tonnes as against 657,123 tonnes in the previous year.

#### Imported Products (DAP / MOP)

Given the heavy inventory overhang with the trade of phosphatic and potassic fertilisers, the DAP imports into India fell by 43% while complex imports were low and fell by 11%. The collapse of the Russian and Belarusian entity for potash triggered a serious price correction in MOP, although the impact of the same for India will only be felt in FY 2014-15. While MOP imports to India were higher by 31%, the sales of MOP were similar to last year, which indicates that most of the additional imports went into manufacture of complex fertilisers. The Company sold imported DAP of 189,194 tonnes as against 324,313 tonnes in the previous year. MOP sales were at 143,715 tonnes against the previous year sales of 38,356 tonnes.

#### Specialty Crop Nutrients

The Company continued to focus on the non-subsidised portfolio and posted a significant revenue growth over the previous year by expanding into new geographies of the Western and the Southern parts of India and by introducing new products.

#### Customised Fertilisers

The Company had commissioned the maiden customised fertiliser plant in the country in FY 2011-12. These are advanced fertilisers, customised for specific crop and region. The Company manufactures 4 grades of fertilisers suitable for paddy, wheat, potato and sugarcane.

The sales of customised fertilisers during the year were 16,874 tonnes as against 18,701 tonnes in the previous year. The Company believes that, this being a new concept would be promoted in a phased manner and will slowly gain acceptance.

### 2.2 TATA KISAN SANSAR

Tata Kisan Sansar, a dedicated network for distribution of agri inputs, is well established in the Northern and the Eastern geographies. This concept provides a trustworthy store offering "One stop agri input and services shop" to farmers. The dealer and franchisee network deal with products such as Primary Nutrients (urea, DAP, MOP, NPK etc.) and Specialty Fertilisers (zinc sulphate, boron, micronutrients, calcium nitrate, organics, water soluble fertilisers, etc.), Seeds (field crops, vegetable crops) and

## DIRECTORS' REPORT

the entire range of pesticides. Along with the above mentioned inputs, the Company is providing products of other reputed companies through this retail network which help farmers to get all the nutrients and inputs under one roof.

### 3. OTHER AGRICULTURAL INPUTS

**3.1** The Company has posted a significant revenue growth over the previous year. The Company has expanded the network in new geographies in the Western and the Southern parts of India with increased focus on its own brands.

#### 3.2 Rallis India Limited (Rallis)

Rallis achieved the revenue of ₹ 1,746.56 crore for the year as compared to ₹ 1,458.18 crore of the previous year, registering a growth of 19.78%. Profit before tax on a consolidated basis was ₹ 214.40 crore during the year as compared to ₹ 172.29 crore in the previous year, an increase of 24.44% over the previous year. The Company earned a net profit of ₹ 151.87 crore, as against a net profit of ₹ 119.02 crore in the previous year on a consolidated basis.

Rallis has registered an overall double digit growth during the FY 2013-14. This growth is driven by an all-round performance and, in particular, rise in sales of megabrands.

The branded Domestic Formulation Business registered a good growth during the year over the previous year. The International Business Division showed a significant growth over FY 2012-13 and continues to be above 30% of the overall revenue for the past two years. Rallis' efforts in building a robust Non-Pesticide Portfolio (NPP) of businesses, to cater to the changing needs of the farmers and agriculture gained momentum during the year. The share of NPP sales was 31% of the total revenue.

The acquisition of a majority stake in Metahelix Life Sciences Limited (Metahelix), a research-led seeds company in December 2010, has started yielding results. In three years, the revenue of Metahelix has grown significantly to reach ₹ 180 crore during FY 2013-14, one of the highest growth rates among seed companies in the country. Metahelix plans to introduce new hybrids during FY 2014-15, including Bt cotton hybrids, which will help in sustainable and profitable growth in the future.

During the year, Rallis has acquired additional stake in equity shares of Zero Waste Agro Organics Limited (ZWAOL), taking its shareholding in ZWAOL to 51.02%. ZWAOL is a company manufacturing scientifically prepared organic

compost, a soil conditioner. ZWAOL has recorded a four-fold growth in its sales volumes, as its high quality organic compost "GeoGreen" gained market acceptance.

## 4. OTHERS

### 4.1 Water Purifier

During the year, Tata Swach water purifiers reported value growth of 86% and volume growth of 55%. During the year, the Company introduced multiple new products in the storage offline category such as Tata Swach Cristella Plus with sturdy body, new spaceship bulb with enhanced purification media and the Tata Swach Silver Boost with higher storage capacity and cyst removal mechanism (MF membrane).

The year also marked the entry of Tata Swach into high-end "Online - RO and UV based Purifiers" that use electricity and running water. Two variants were pilot launched - Tata Swach Silver RO Platina - Multistage RO purification and Tata Swach Silver RO Ultima - multistage RO+UV purification which are able to handle all types of impurities and contamination including high TDS, heavy metals and harmful minerals besides pathogens such as bacteria, virus and cyst thus ensuring a "Total Purification Solution" from the Tata Swach umbrella. Both variants are being rolled out nationally in top 20 cities in FY 2014-15.

### 4.2 Pulses

In FY 2013-14, unpolished dals and besan revenue (sold under Tata I-Shakti brand) grew by 110%. During the year, the product availability grew from 18,000 outlets to over 45,000 outlets in the key focus markets. The Company continued to focus on brand building activities and consumer awareness campaigns for promoting Tata I-Shakti unpolished dals. The 'Dal on Call' service of the Company reached to 3 cities (Mumbai, Delhi and Bangalore) and delivered to over 14,500 customers and has over 50% repeat customers ordering through the service.

### 4.3 Nutritional Solutions

The objective of TCL's fledgling Nutritional Solutions business is to offer ingredients and formulations that can be consumed as part of a daily diet to improve gut health. To this end, the first product, Fructo-oligosaccharide (FOS) is a short chain, soluble dietary fibre that is grouped with a set of products, collectively known as prebiotics.

The manufacturing process for FOS, using cane sugar as the raw material and based on principles of green chemistry was developed at TCL's Innovation Centre and is undergoing scale-up and pre-commercial production trials at the Company's green-field manufacturing plant at

Sriperumbudur, near Chennai. The trials are being carried out concurrently with the establishment of a downstream drier system to produce FOS in both solid and liquid forms.

Over fifty potential customers have been sent samples for approval; product studies to obtain regulatory approvals to allow export of FOS are also underway. Trial production will commence in the first quarter of FY 2014-15 and production will be scaled up in a phased manner from 300 MTPA to 1000 MTPA.

## 5. JOINT VENTURES AND ASSOCIATES

### 5.1 Indo Maroc Phosphore S.A. (IMACID)

IMACID is a joint-venture company established in Morocco, North Africa and is engaged in the manufacture of phosphoric acid. In IMACID, the Company has a 33.33% shareholding, together with two other equal partners, Chambal Fertilisers and Chemicals Limited and Office Cherifien Des Phosphates (OCP), Morocco. The Company procures phosphoric acid through supply from IMACID for manufacture of granulated DAP and NPK fertilisers at its Haldia facility.

During the year, the cumulative production of phosphoric acid in this period was 353,626 tonnes as against 326,501 tonnes in the previous year.

### 5.2 JOil (Singapore) Pte. Limited (JOil)

JOil, a Jatropha plant science company, is based in Singapore in which the Company holds a 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 has progressed well on Jatropha plant science. It has invested in pure research and enabling technologies, developing GM materials and in developing industrially scaled propagation techniques. JOil has conducted successful field trials in India and South East Asia.

JOil achieved an income of S\$ 1.58 million (₹ 7.59 crore) for the FY 2013-14 as compared to S\$ 1.15 million (₹ 5.02 crore) in the previous year.

### 5.3 EPM Mining Ventures Inc. (EPM)

The Company, through its subsidiaries, owns a 25.70% stake in EPM, a company listed on the Toronto Stock Exchange, Canada.

EPM, together with its subsidiaries, operates an exploration stage entity focused on the construction and operation of a major Sulphate of Potash ("SOP") project on Sevier Lake Playa in South Western Utah, USA. EPM is engaged

in exploration, drilling, engineering and permitting activities on its Sevier Playa Project with the objective of providing a feasibility study and reserve estimates in accordance with the Canadian standards of disclosure for mineral projects. EPM completed a preliminary feasibility study on the Sevier Playa Project in November 2013; and is at present engaged in the project's feasibility study phase.

### 5.4 Natronx Technologies LLC (Natronx)

Natronx, which is an equal stake (33.33%) joint venture between Tata Chemicals (Soda Ash) Partners, U.S.A., FMC Corporation, U.S.A. and Church & Dwight Co. Inc., U.S.A., is in the final stages of commissioning a 450,000 tonne per year ground trona operation which will produce a very small particle size, high assay sodium based sorbent that will be primarily used by coal fired electrical utilities to reduce acid gases in their air emissions. Since the original formation of the business there have been a number of challenges to government agencies including the US Environmental Protection Agency regarding their ability to set certain air emission regulations, including the Cross State Air Pollution Rule, which are key to the demand proposition for Natronx. In early 2014, these objections were overturned so demand for dry sorbent injection should now begin to grow over the next 18-24 months and Natronx will be bringing the plant into production in order to meet demand. These delays have, thus, negatively impacted Natronx; sales demand and previously forecast business performance.

## REVIEW OF IMPAIRMENT RISKS

Under the Indian Accounting Standards, a company is required to undertake impairment review of its assets and investments based on certain triggers relating to the business or operating environment.

Based on the impairment review, the Company has made a provision in the standalone financial statements of ₹ 59.30 crore towards impairment in respect of certain fertiliser and bio-fuel assets. Further, the Company has recognised non-cash write down of goodwill and other assets of ₹ 924.38 crore in the consolidated financial statements. The impairment of assets represents the non-cash write down of goodwill of ₹ 619.77 crore and assets of ₹ 304.61 crore primarily relating to Tata Chemicals Magadi operations. The impairment is mainly on account of high energy costs at the plant at Kenya which has ultimately led to downward revision of cash flow projections of Kenya business. The above provisions are non-cash charges and do not affect any of the financial covenants of Tata Chemicals Group.

## DIRECTORS' REPORT

**AMALGAMATION OF HOMEFIELD INTERNATIONAL PVT. LTD, (MAURITIUS) WITH THE COMPANY**

During the year, the Scheme of Amalgamation of Homefield International Pvt. Ltd. (Mauritius) a wholly owned subsidiary, with the Company ('the Scheme') was filed before the High Court of Judicature at Bombay for its sanction pursuant to Section 391-394 of the Companies Act, 1956.

The Hon'ble High Court of Judicature at Bombay sanctioned the Scheme vide its Order dated 7th March, 2014. The Scheme became effective on 29th April, 2014 with the Appointed Date of the Scheme as 1st April, 2013. No shares of the Company were issued and allotted in lieu or exchange of the equity shares of Homefield International Pvt. Ltd. (Mauritius) under the Scheme.

Accordingly, the standalone balance sheet for the financial year ended 31st March, 2014 of the Company includes financial results of Homefield International Pvt. Ltd. (Mauritius) from 1st April, 2013.

**FINANCE**

The outstanding balance of External Commercial Borrowing (ECB) of USD 285 million, out of the ECB of USD 475 million raised in March 2008, was fully repaid during the year. Out of the total repayment of USD 285 million, an amount of USD 190 million was pre-paid and refinanced by raising ECB of USD 190 million. In addition to this, the Company had repaid 11.80% secured Non-Convertible Debentures (NCDs) of ₹ 240 crore on the due date.

The pace of subsidy disbursements for fertilisers witnessed a significant slow-down from August 2013. This resulted in high levels of working capital through the second half of the year. The outstanding balance of subsidy receivables as on 31st March, 2014 is ₹ 1,794.89 crore as against an amount of ₹ 1,752.63 crore outstanding as on 31st March, 2013.

The increased level of working capital has been funded through working capital facilities including buyers' credit. The outstanding balance of buyers' credit as on 31st March, 2014 was USD 160.89 million (₹ 963.99 crore). Further, pursuant to the reintroduction of Special Banking Arrangement (SBA) made by The Department of Fertilizers, Government of India, twice during the year, the Company had availed loans against subsidy receivables for an aggregate amount of ₹ 465.71 crore from the State Bank of India led consortium. Out of this, ₹ 139.61 crore was liquidated during the month of February 2014 in accordance with the SBA scheme. The brought forward outstanding balance of loan against subsidy receivables of ₹ 179.63 crore, availed during March 2013, was also liquidated during the month of April 2013 in accordance with the SBA scheme.

The year witnessed elevated levels of interest rates on the back of high inflationary pressure and volatile macro-economic scenario. Amid volatility in financial and capital markets, the

Company was able to contain the interest costs as a result of better cash management and repayment of high cost NCDs. The reduction in cost of borrowing resulted in savings in interest cost of ₹ 17.93 crore.

During the year, Rallis India Limited, a subsidiary of the Company and IMACID, a joint venture, have paid dividends of ₹ 22.39 crore and ₹ 29.47 crore respectively to the Company.

During the year, the Company's overseas subsidiary Tata Chemicals North America Inc. (TCNA) had refinanced debt facilities to the tune of USD 340 million. Further, the Company's overseas subsidiary Tata Chemicals Europe Holdings Limited (TCEHL) had raised term and multicurrency revolving facilities (bridge facilities) aggregating to GBP 140 million to refinance the existing facilities. In addition to this, the Company's overseas subsidiary Homefield Pvt UK Ltd had raised a term loan of USD 28 million to buy back 6.44% United States Private Placement Notes of USD 25 million issued in 2007.

**INFORMATION TECHNOLOGY**

The Company's Information Technology (IT) infrastructure is continuously reviewed and renewed in line with the development in technology and its requirements. During the year, the Company upgraded its servers for running ERP platform. The Company has also implemented common ERP programme across all its wholly owned operating subsidiaries.

**AWARDS AND RECOGNITIONS**

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

- Eco Corporate of the Year Award at the prestigious Natural Capital Awards 2013.
- I.C.C. award for Water Resource Management in Chemical Industry.
- Two awards at the 53rd ABCI awards.
- Council for Fair Business Practices Awards 2013.
- Tata Chemicals Magadi wins the Millennium Development Goals Award.
- Babrala plant wins the prestigious CII - Efficient Energy Management Award.
- TCL Babrala plant wins the prestigious NSCI Suraksha Puraskar.
- Okhai store at Ahmedabad was awarded 'Alpha One Retail Renaissance Award for Best Store.
- TCL Mithapur plant wins the FICCI Chemicals and Petrochemical Award.
- Three awards at FAI Golden Jubilee Awards.
- Tata Chemicals Magadi received a prestigious HR award from Institute of Human Resource Management.
- Most Admired Knowledge Enterprise (MAKE) Award 2013.

### FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards is attached herewith.

### SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs, the Government of India, has vide Circular No. 2/2011 dated 8th February, 2011 granted general exemption subject to fulfilment 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, the Statement of Profit and Loss 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 the Registered Office of the Company. The Annual Accounts of the said subsidiaries will also be available for inspection, as above, at the Head Offices of the respective subsidiary companies.

As on 31st March, 2014, the Company had 43 (direct and indirect) subsidiaries (4 in India and 39 overseas).

During the year, following changes have taken place in the subsidiary companies:

- Rallis acquired and subscribed to equity shares representing 51.02% of the paid-up equity share capital of Zero Waste Agro Organics Limited (ZWAOL).
- Dhaanya Seeds Limited merged with Metahelix Life Sciences Limited effective 6th March, 2014.

Subsequent to the year end, Homefield International Pvt. Ltd. (Mauritius) merged with the Company with the effective date as 29th April, 2014.

### DIRECTORS

Dr. Yoginder K. Alagh retired as a Director of the Company on 14th February, 2014 in line with the retirement policy for Directors. The Board placed on record its sincere appreciation for his invaluable guidance and contribution during his tenure as the Director of the Company.

Pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company had appointed Mr. Nusli N. Wadia, Mr. Nasser Munjee, Mr. E. A. Kshirsagar, Dr. Y. S. P. Thorat and Dr. Vijay Kelkar as Independent Directors of the Company.

As per Section 149 (4) of the Companies Act, 2013 (the Act), which came into effect from 1st April, 2014, every listed public company is required to have at least 1/3rd of the total number of directors as Independent Directors. The Company, in terms of the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, already has one half of its Directors in the category of Independent Directors. The Board at its meeting held on 30th May, 2014, appointed the existing Independent Directors under Clause 49 viz. Mr. Nusli N Wadia, Mr. Nasser Munjee, Mr. E. A. Kshirsagar, Dr. Y. S. P. Thorat and Dr. Vijay Kelkar as Independent Directors of the Company for the tenure of appointment as mentioned in the Notice of the forthcoming Annual General Meeting pursuant to the provisions of the Act.

In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and are independent of the management.

Mr. R. Gopalakrishnan, Director of the Company, is due for retirement by rotation and is eligible for re-appointment.

Mr. R. Mukundan was re-appointed as Managing Director of the Company with effect from 26th November, 2013 for a period of 5 years upto 25th November, 2018, subject to the approval of Members. Mr. P. K. Ghose was re-appointed as an Executive Director & CFO of the Company with effect from 26th November, 2013 for a period upto 30th September, 2015 (date of retirement), subject to the approval of Members. The Board commends the re-appointment of Mr. R. Mukundan as the Managing Director and Mr. P. K. Ghose as the Executive Director & CFO of the Company to the Members of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. Members are requested to refer to the Notice and Explanatory Statement for the experience, qualification and tenure of the Independent Directors.

### MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORTS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

**DIRECTORS' REPORT**

- 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., 31st March, 2014 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.

**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 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 General Counsel & Company Secretary at the Registered Office of the Company.

**AUDITORS**

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (DHS) who are the statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM)

and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS as the statutory auditors of the Company from the conclusion of forthcoming AGM till the conclusion of the 78th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

During the year, the Company had received intimation from DHS stating that Deloitte Haskins & Sells had been converted into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership with effect from 20th November, 2013. In terms of General Circular No.9/2013 dated 30th April, 2013 issued by the Ministry of Corporate Affairs, if a firm of Chartered Accountants, being an Auditor of the Company under the Companies Act, 1956, is converted into an LLP, then such LLP would be deemed to be the Auditor of the Company. The Board has taken due note of this change. Accordingly, the audit of the Company for FY 2013-14 was conducted by DHS.

The Company has received letter from the statutory auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

**COST AUDIT**

By General Circular No. 8/2012 dated 10th May, 2012 issued by the Ministry of Corporate Affairs, Government of India, it has been made mandatory for companies to file Cost Audit Reports from the FY 2011-12 onwards in XBRL (Extensible Business Reporting Language) format. The due date for filing of the Cost Audit Reports for FY 2012-13 was 30th September, 2013. The Company has filed the Cost Audit Reports with the Ministry of Corporate Affairs on 27th September, 2013.

**On behalf of the Board of Directors**

**CYRUS P. MISTRY**  
Chairman

Mumbai, 30th May, 2014

## 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:

- Usage of tailing waste in kiln raw mix to reduce specific heat consumption and to increase waste solids utilisation.
- Sea water stopped in Effluent Solids Filtration (ESF) process by recycling wash water.
- Use of grinding aid in cement mill to improve cement throughput resulting in reduction in specific power consumption.
- Installation of Flash vessel and its bypass system for heat recovery.
- Replacement of elements of electrolyser.
- Replacement of Lime kiln top assembly.
- Energy Efficient IE 3 based premium efficiency motor installation as standard practice in all projects.
- Induction lamp (40 Watt) installation at High Pressure Boiler transformers in place of 125W HPMV lamp.
- Usage of astronomical timer in twilighting circuit.
- Variable frequency drive installed in ammonia scrubber fan in DAP1.
- Modification of Lighting circuit in phosphoric acid plant.
- TG overhauled to utilise unused Steam for generating electricity.
- Installation of LED Lights.
- Installation of casale trays in urea reactor to improve conversion efficiency and to reduce steam consumption.
- Installation of solar geysers in new houses of township to reduce electricity consumption and utilise renewable energy source.
- Cleaning ammonia plant primary reformer waste heat recovery coils, Fire heater exit coils and GV section air coolers to improve heat transfer effectiveness.
- Replacement of low temperature shift catalyst to improve overall performance of ammonia 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, and high efficiency distribution transformers.
- Brick lining for Kiln 5.
- Installation of new turbine for Ingersol Rand compressor to improve efficiency.
- Overhauling of Turbo generating Set.
- New Induction lamp (40W) installation started in place of 125W HPMV lamp.
- Installation of facility to generate Low pressure Steam from continuous blow down heat recovery boiler of captive power plant.
- Installation of 100 KW Solar PV System in township to generate electric power from renewable source.
- Installation of Turbo-expander in fuel natural gas line to generate electric power in captive power plant.
- Installation of Variable frequency drive in motor of service boiler forced draft fan to reduce power consumption

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

- Reduction in specific consumption of steam
- Reduction of power consumption
- Reduction in greenhouse gas emission

## DIRECTORS' REPORT

- Reduction in specific consumption of steam in ammonia and urea plant.
- Reduction of power consumption in ammonia and Urea plant.
- Increase utilisation of renewable power.

**(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:

<b>POWER AND FUEL CONSUMPTION</b>		<b>Current Year 2013-14</b>	<b>Previous Year 2012-13</b>
<b>1</b>	<b>ELECTRICITY</b>		
	<b>(a) Purchased</b>		
	Units (Kwh)	<b>422,05,484</b>	399,29,924
	Total Amount (₹ crore)	<b>27.57</b>	26.64
	Average Rate (₹/Kwh)	<b>6.53</b>	6.67
	<b>(b) Own Generation</b>		
	(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)	<b>4,94,756</b>	4,94,145
	Steam produced (Tonnes)	<b>52,71,623</b>	51,73,630
	Total Value of Electricity and Steam produced (₹ crore)	<b>414.85</b>	418.46
	(iv) Through Gas Turbine		
	Units produced (Mwh)	<b>1,71,808</b>	1,65,309
	Steam produced (Tonnes)	<b>11,79,579</b>	11,05,271
	Total Value of Electricity and Steam produced (₹ crore)	<b>148.56</b>	139.96
<b>2</b>	<b>Coal (specify quality and where used)</b>		
	(Mostly imported Coal received from various sources and "A" Grade Lignite are used in Boilers)		
	Quantity (Tonnes)	<b>6,96,888</b>	7,01,821
	Total Cost (₹ crore)	<b>395.84</b>	404.91
	Average Rate (₹/Tonne)	<b>5684.88</b>	5,769.42
<b>3</b>	<b>Natural Gas</b>		
	Purchased-Standard Cubic Meter (SCM)	<b>18,95,47,689.15</b>	20,11,45,287.30
	Total Cost (₹ crore)	<b>216.22</b>	211.42
	Average Cost (₹/SCM)	<b>11.41</b>	10.51
<b>4</b>	<b>Regassified Liquefied Natural Gas (RLNG)</b>		
	Purchased (SCM)	<b>4,01,89,108.39</b>	2,11,32,495.00
	Total Cost (₹ crore)	<b>145.51</b>	59.22
	Average Cost (₹/SCM)	<b>36.21</b>	28.02
<b>5</b>	<b>Naphtha</b>		
	Purchased (KL)	-	645.00
	Total Cost (₹ crore)	-	1.14
	Average Cost (₹/KL)	-	17,656.00

<b>POWER AND FUEL CONSUMPTION</b>		<b>Current Year 2013-14</b>	Previous Year 2012-13
<b>6</b>	<b>Furnace Oil</b>		
	Purchased (KL)	<b>1,431.00</b>	1,361.00
	Total Cost (₹ crore)	<b>6.83</b>	6.03
	Average Cost (₹/KL)	<b>47,728.86</b>	44,305.66
<b>7</b>	<b>High Speed Diesel (HSD)</b>		
	Purchased (KL)	<b>236.42</b>	230.15
	Total Cost (₹ crore)	<b>1.44</b>	1.04
	Average Rate(₹/KL)	<b>60,908.55</b>	45,187.92

#### CONSUMPTION PER UNIT OF PRODUCTION

	<b>ELECTRICITY (Kwh/MT)</b>		<b>STEAM (MT/MT)</b>	
	<b>Current Year 2013-14</b>	Previous year 2012-13	<b>Current Year 2013-14</b>	Previous year 2012-13
Soda Ash Light	<b>189.61</b>	190.34	<b>3.51</b>	3.73
Sodium Bicarbonate	<b>54.15</b>	55.97	<b>0.82</b>	0.84
Caustic Soda Evaporated	<b>2,739.73</b>	2,790.28	<b>0.83</b>	0.96
Vacuum Evaporated Salt	<b>73.73</b>	72.59	<b>2.28</b>	2.27
Cement	<b>124.23</b>	125.04	-	-
Urea	<b>61.03</b>	58.40	<b>0.97</b>	0.93
Ammonia	<b>155.38</b>	152.90	<b>0.10</b>	0.09
Sulphuric Acid	<b>44.79</b>	42.58	-	-
Phosphoric Acid	<b>270.67</b>	244.58	-	0.431
Diammonium Phosphate	<b>49.31</b>	50.96	<b>0.073</b>	0.069
NPK Complexes	<b>30.88</b>	31.05	<b>0.048</b>	0.049
Single Super Phosphate	<b>27.69</b>	30.94	-	-
<b>Furnace Oil liter/Tonne</b>				
Diammonium Phosphate	<b>1.13</b>	2.21		
NPK Complexes	<b>2.93</b>	2.06		

## B. TECHNOLOGY ABSORPTION

### Form B

#### Research and Development (R&D)

##### 1. Specific areas in which R&D is carried out by the Company

- Kainite type mixed salt preparation from sea bittern in progress.
- Commissioning of 3 TPD SOP test bed pilot plant in progress.
- Commissioning of Magnesium Oxide test bed pilot plant in progress.
- Waste utilisation.

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

- Data generation for process scale up and commercial plant feasibility evaluation.

##### 3. Future plan of action

- Continued R&D efforts to attain objectives of cost reduction, energy conservation, waste minimisation / recycling and reuse, related value added products, reduction in carbon footprints and environmental improvement.

## DIRECTORS' REPORT

**4. Expenditure on R&D**

	<b>2013-14</b>	2012-13
	(₹ crore)	(₹ crore)
(a) Capital	<b>0.80</b>	2.25
(b) Recurring	<b>17.42</b>	15.15
(c) Total	<b>18.22</b>	17.40
(d) Total R&D expenditure as a percentage of Total Turnover	<b>0.21%</b>	0.20%
<b>Technology Absorption, Adaptation and Innovation</b>		
1. Efforts made towards technology absorption, adaptation and innovation	<b>2</b>	2
2. Benefits derived as a result of the above efforts	<b>Under implementation</b>	N.A.
<b>Imported technology</b>		
(a) Technology imported	<b>Yes</b>	None
(b) Year of import	<b>2014</b>	NA
(c) Has technology been fully absorbed?	<b>Under implementation</b>	NA
(d) If not fully absorbed, reasons and future course of action	<b>NA</b>	NA

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**
**Activities relating to exports, initiatives taken to increase exports and development of new export markets for Chemical products:**

Considering the optimum realisation and great demand in the domestic market, TCL has opted to export minimum quantity of soda ash during FY 2013-14. However, the Company still exports sodium bicarbonate with primary focus on branded bicarbonate.

- Export sales of branded bicarbonate (Alkakarb and Sodakarb) have risen from 151 MT in FY 2010-11 to 2,165 MT in FY 2013-14.
- Focus has been in the natural market of South East Asia and Middle East.
- Bangladesh is our largest market for Alkakarb where the Company has focused on single channel for small customers and direct sales to large customers.
- Both brands are currently fetching premium of about 25% over competitors in most markets.

**Export plans:**

The Company has plans to increase sales of branded sodium bicarbonate to about 3,600 MT from the current levels. The Company shall continue to focus on Bangladesh and United Arab Emirates. The Company is further exploring market expansion in Australia for the branded products.

	<b>Current year</b>	Previous year
	<b>2013-14</b>	2012-13
	₹ crore	₹ crore
<b>1. Foreign exchange earned</b>		
(a) Export of goods on FOB basis	<b>10.02</b>	28.57
(b) Dividend	<b>29.47</b>	-
(c) Miscellaneous Income	<b>18.70</b>	18.06
<b>2. Outgo of foreign exchange Value of imports (CIF)</b>		
(a) Raw materials, traded products and fuel	<b>2874.26</b>	2,855.55
(b) Stores, components and spares	<b>11.99</b>	13.76
(c) Capital goods	<b>33.18</b>	27.31
<b>3. Expenditure in foreign currencies</b>	<b>72.80</b>	80.19
<b>4. Remittance of dividends</b>	<b>54.55</b>	41.22

On behalf of the Board of Directors

**Cyrus P. Mistry**  
Chairman

Mumbai, 30th May, 2014

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS ENVIRONMENT

#### Global

The world economy is expected to grow by 3.6% in 2014. Both advanced and emerging economies are expected to record higher growth in 2014 as indicated by the International Monetary Fund (IMF).

The key to the revival in advanced economies is the upturn in the domestic economies of the US and the UK that are projected to grow by 2.8% and 2.9%, respectively, in 2014. On the other hand, Japan's economy is witnessing a period of fiscal tightening. Therefore, while Japan's domestic demand is likely to remain subdued, export demand is expected to support growth through the yen depreciation and an overall recovery in the global demand.

Global economic activity has improved over the last year. However, the economy continues to be in a fragile state, given the high rate of unemployment and inflation. However, the revival of demand from the advanced economies is expected to benefit the emerging and developing economies in the long run.

Although China, the largest among the emerging economies, grew by a steady 7.7% in 2013, it is estimated to record marginally lower growth at 7.5% in 2014. Looking ahead, China's economic growth could be affected by some downside risks. These include the slowdown in investments and the Government's focus on restructuring the economy into a consumption-oriented one.

#### Domestic

As per the Central Statistical Organisation, India's GDP grew by 4.7% in FY 2013-14 compared to 4.5% in FY 2012-13. Estimates indicate a real GDP growth in FY 2014-15 is in the range of 5-5.5%. The new Government elected in May 2014 is expected to lead to a surge in investor confidence and a subsequent revival of the economy in the second half of FY 2014-15.

The new Government has indicated that its top priority would be to get the economy back to a high growth trajectory and also to control the current inflationary trend. While this will undoubtedly require the introduction of certain fiscal disciplinary measures, the Government is also expected to implement strategies to boost the investment cycle. The areas that are expected to receive urgent attention include irrigation and agricultural productivity, manufacturing and exports.

The recent clearance of a number of stalled projects has boosted the present economic growth to some extent. Additionally, moderate improvement in the global economic activity is expected to bolster the export demand. However, there are some downside risks to growth as well, with the agricultural sector facing the possibility of a sub-normal monsoon due to El Niño. Global Industrial activity continues to remain weak where the stagnation was broad-based.

At 75, Tata Chemicals is a company that is transforming from being a leader in the Inorganic Industrial Chemicals segment to emerging as a branded solutions company in the agri business and retail consumer space.

India achieved a fiscal deficit of 4.6% compared to the budget estimate of 4.8% of the GDP in FY 2013-14.

The slowdown in trade deficit, along with a healthy growth in net invisibles led to significant lowering of the Current Account Deficit (CAD) in the third quarter of FY 2013-14. The CAD for FY 2013-14 is expected to settle at 1.7% of the GDP as compared to a share of 4.7% in FY 2012-13.

### COMPANY OVERVIEW

Tata Chemicals Limited ('the Company' or 'TCL') operates businesses in the Industrial Chemicals, Agri business and Consumer Products space. Serving a diverse set of customers across five continents, the Company is now an established leader in most of its chosen lines of business. The Company is the world's second largest soda ash manufacturer and the fourth largest manufacturer of sodium bicarbonate. TCL also reaches out to over 100 million households in the consumer products category and leads the national branded salt market with a market share of over 67.9 percent for Tata Salt and I-Shakti Salt. The Company is also present in the branded pulses and water purifier categories. Its rural retail Tata Kisan Sansar (TKS) network, agri-brand Paras and its subsidiaries, Rallis India Limited (Rallis) and Metahelix Life Sciences Limited (Metahelix) are established leaders in the agri space.

### GROWTH STRATEGY

At 75, Tata Chemicals is a company that is transforming from being a leader in the Inorganic Industrial Chemicals segment to emerging as a branded solutions company in the agri business and retail consumer space. The last few years have witnessed an increased emphasis on the twin themes of turnaround and transformation. The Company is focused on turning around parts of its Industrial Chemicals business. At the same time, the Company is also transforming the Agri business division and growing its consumer franchises in the nutrition and wellness space, supported by a world-class Innovation Centre near Pune.

The Company has addressed cost issues at the Winnington (high costs) and Magadi (high energy costs) to improve the overall health of the Industrial Chemicals business. These initiatives are expected to result in a reduction in energy and fixed costs, better cash flows and debt reduction, all of which should result in long-term value creation for its stakeholders. The focus of the

MANAGEMENT DISCUSSION AND ANALYSIS

Company's Industrial Chemicals business continues to be cash generation through operational excellence; thereby realising the synergies of being a global business of significant scale. The Company has made a good start by driving efficiencies and effectiveness and transitioning to value-added products. Additionally, the Company intends to grow its branded sodium bicarbonate business selectively to feed end-user markets across the value spectrum viz. pharmaceuticals, food, air pollution control and animal feed.

Within the Agri business space, bulk fertilisers like urea, Di-ammonium Phosphate (DAP) and NPK are regulated commodities and are therefore, dependent on subsidy payments. This is the reason the Company is moving towards branded and specialty agricultural products. The Company's TKS network comprises 957 stores and continues to grow through greater farmer connect. The network provides products and solutions under one roof, along with value-added advisory services that benefit farmers. The Company's subsidiaries Rallis and Metahelix are also playing a significant role in the transformation process.

Tata Salt has played a pioneering role in improving the country's nutritional well-being through iodised and fortified salt. While Tata Salt continues to be the mainstay for the Company's consumer products business, unpolished dals and safe drinking water are contributing to its mission of nutritional well-being. The Company aims to further strengthen consumer connect and trust through its initiatives in digital and social media, as it develops branded consumer products that address the changing health and wellness needs of the Indian consumer.

The Company has built its new Innovation Centre near Pune, which along with the existing centres of excellence, will house the R&D divisions for each of its businesses.

Nutritional Solutions, the new business line that the Company developed from its Innovation Centre, is expecting to start commercial production for its first product called Fructo-oligosaccharide (FOS) soon. This is an outcome of the Company's continued focus and investments in technology that will continue to be the driver for growth through differentiated products and offerings, many of which are already in the pipeline.

**BUSINESS UNITS**

**Industrial Chemicals**

**Soda Ash**

**Overview**

The Company has a capacity of approximately 4.3 million tonnes across its manufacturing facilities in India, UK, Kenya and USA. This makes it the world's most geographically-diversified soda ash Company with more than 7% global capacity share. Around 70%

of TCL's Soda Ash capacity comprising natural soda ash, leading to a significant competitive advantage.

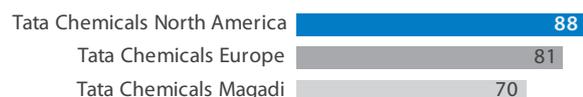
The Company's natural soda ash operations are located at the Green River Basin, Wyoming, USA, (which houses the world's largest deposits of trona), and Magadi, Kenya. Having natural soda ash enables the Company to have a low energy intensity and low environmental footprint. Synthetic soda ash and sodium bicarbonate are manufactured at Mithapur, India and Northwich, UK. This process uses brine (salt water) and limestone as key raw materials.

With manufacturing facilities located across the four continents of North America, Europe, Africa and Asia, the Company has the ability to optimally serve customers across the globe. Additionally, distributed sourcing of raw materials increases reliability of supplies and mitigates the risks associated with potential regional disruptions that can adversely impact the global supply chain. Emerging economies have been the primary growth drivers for soda ash over the past decade. With rapidly increasing GDP and urbanisation, these economies have experienced an increased per capita consumption of products that are manufactured using soda ash, including flat glass (automobiles, housing), container glass (beverages), detergents, baked goods, clean water and sodium-based chemicals.

**Global Chemicals Business Sales Revenue (USD '000)**



**Customer Satisfaction Index (CSI) (Global Chemical Operations) (%)**



**Customer Value Score (Indian Chemical Operations)\***



\* CSI ratio as compared to the nearest competitor.

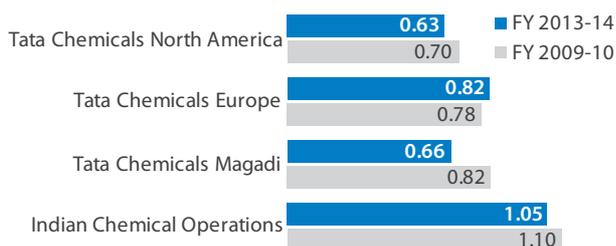
**Solid Waste Recycled (Indian Chemical Operations) (%)**



**Fresh Water Usage for Production (Kilo Litres /tonne) (Indian Chemical Operations)**



### Greenhouse Gas (GHG) Intensity (GHG Tonnes/tonne of Production)



### Demand

The global soda ash demand grew at 1.3% to 54.1 million tonnes from 53.4 million tonnes in 2013. While a majority of this growth was witnessed in China, the Chinese domestic demand growth did see a slowdown compared to the previous years. Overall, the global demand is forecast to grow at a CAGR of 5.1% through 2017, fuelled by flat glass line additions in developing regions.

### Global Supply Scenario

Global soda ash production capacity increased approximately 3% to 65.7 million tonnes, with most of the capacity addition happening in China. Synthetic soda ash manufacturers, particularly in developed regions, continued to face high cost pressures stemming from an escalating fixed cost base and stringent environmental and regulatory compliance standards. The Company has already completed the restructuring of the UK business through the closure of the 500,000 tonnes soda ash facility at Winnington, UK. In addition to this, the operational closures of other manufacturing plants like Solvay (230,000 tonnes in Povoia, Portugal) and Penrice (350,000 tonnes in Adelaide, Australia) are resulting in the re-alignment of global trade flows. The supply vacuum arising due to closures in Europe and Oceania is being serviced by Turkey and North America. Overcapacity in the market continues to be region specific. China and Europe have more capacity than demand, while producers in the US, Turkey and India are operating at high rates. World operating rates dropped from 83% in the previous year to about 82% during the year. The global supply is forecast to grow at 3.7% p.a. through 2017, with China and Turkey leading this capacity addition.

### Prices

Globally, prices remained within a narrow band for FY 2013-14 even as cost pressures mounted. Export prices in the US and

Turkey remained stable through the year. The prices in China increased by 15% over the year after being on the decline for about 2 years. The prices in the Indian sub-continent remained flat for most of the year, but increased sharply towards the end of the year due to shortening pipelines and higher Chinese export prices to the Indian sub-continent. While regional price variations and supply-demand gaps will persist, the Company is expecting global prices to trend upwards marginally this year.

### Global Soda Ash Demand (million tonnes)



\* Estimated

Source: Industry Estimates

### India Demand

For India, FY 2013-14 has been a story of two halves; pipeline inventories remained high through the first half of the year on the back of very strong growth in FY 2012-13. As market demand remained subdued, the second half saw stocks getting consumed. Even though actual consumption showed marginal demand growth, sales growth remained negative. Overall, the year witnessed a soda ash demand de-growth of 2%. A total of 560,000 tonnes of imports were recorded for the year; mainly from Kenya, China, Bulgaria, Romania and Turkey. The first half witnessed high imports at lower prices. Imports decreased in the second half due to realignment of trade flows, anti-dumping duties and a shift in focus towards margins by Chinese producers.

### India Soda Ash Demand (million tonnes)



\* Estimated

Source: Industry Estimates

While demand for all other consuming sectors remained firm, glass growth for the year reduced from 12% to 7%. Overall, demand is expected to pick up as Canpack fired their second furnace in January 2014, Saint Gobain fired their Bhiwadi furnace in February 2014 and Unilever's Hyderabad unit started operations from January 2014.

With almost no inventory, growth is expected to be high for the year ahead. Growth will be driven by an increase in formulation levels as well as by the new production facilities.

### Sodium Bicarbonate

#### Overview

Sodium bicarbonate is commonly used as an ingredient in leather tanning, dyes and textiles, food additives, animal feed, pharmaceuticals and air pollution control. The Company is the world's fourth largest producer of sodium bicarbonate with about

TCL is the world's most geographically diversified soda ash Company with more than 7% global capacity share. Around 70% of TCL's soda ash capacity comprises natural soda ash.

## MANAGEMENT DISCUSSION AND ANALYSIS

6% capacity share (FY 2013-14) and is the market leader in India and the UK.

**UK Demand**

In Europe, Tata Chemicals Europe's (TCE) sodium bicarbonate brands are widely accepted and hold an established market position. In 2013, demand for sodium bicarbonate in the UK was 65,000 tonnes, a significant increase compared to 2012, inspired by improved economic conditions in the UK. The UK market continues to be driven by treatment of flue gas from waste incineration activities. TCE's reputation for quality and differentiated grades continues to be its strength in the development of niche value sectors such as foam blowing, soda blasting and other more graded product applications.

**India Demand**

The Company is the market leader in sodium bicarbonate with a share of over 50% in the domestic market. During the year, the market witnessed record high imports of 29,000 tonnes of bicarb. While end users in the animal feed, food and pharmaceutical sectors provided stable growth, a weakening rupee has led to an indirect increase in sodium bicarbonate demand due to higher exports of leather, textile and dyes. Sodium bicarbonate demand continues to demonstrate healthy growth across all consuming sectors, particularly in food related applications. Growth rates of 8-10% p.a. are anticipated for the next 5 years, with development of applications in flue gas treatment and uranium leaching.

**Cement****Overview**

The Company's cement plant was setup in the year 1993 to convert the solid waste, generated as a by-product of soda ash, into a value-added product. Solid effluents are separated and processed into Ordinary Portland Cement (OPC) and masonry cement. The masonry cement enables the Company to add value to its fly ash (generated in the power plant) by converting it into a useful binding material.

**Demand**

The domestic cement market faced a slump in demand during the year. Market sentiments remained extremely weak, with sustained price pressures for a major part of the year. Consolidation in the

industry and extended discounts from major players also affected the business. However, the Company is expecting an upswing in demand over the coming months. While the upward trend in raw materials and freight costs is likely to be a key challenge for the business, the Company is continuing to focus on catering to the nearby markets for maximising realisations. The Company is exploring opportunities for the development of niche grades of cement and allied downstream offerings in an attempt to reduce price sensitivity.

**Agri Business****Overview**

The Company's nitrogenous fertiliser plant is located at Babrala (Uttar Pradesh) and its phosphatic fertiliser plant is based at Haldia (West Bengal). The Company has a joint venture in Morocco through a one-third stake in Indo Maroc Phosphore S.A., Morocco (IMACID) that supplies phosphoric acid to Haldia. The Company also trades in 'P' and 'K' fertilisers and is running a network of TKS franchises.

The Company continues to make efforts towards higher use of technology to enhance productivity for the Indian farmers. The focus, going forward, will be to adopt technology as a differentiator, to invest in high-tech products such as specialty fertilisers, herbicides, weedicides and high-grade seeds. TCL (including its subsidiaries Rallis and Metahelix) is continuing to strengthen its deep engagement with the Indian farming community.

**Crop Nutrition and Agri Business (₹ crore)**

2013-14	5,538
2009-10	3,543

**TCL's Presence (No. of States)**

2013-14	19
2009-10	14

Following a year of below-average monsoons, the country has witnessed a good monsoon in FY 2013-14. This has had a positive impact on food grain production, with the latest estimates pointing towards a record of 263 million tonnes, with agriculture GDP growth estimated at 4.6% compared to 4% in the last four years.

**Urea**

In FY 2013-14, the domestic production for urea at 22.7 million tonnes was marginally higher than FY 2012-13 and urea imports into India were 7 million tonnes, lower by 12% as compared to the previous year. With no change in the MRP of urea, the year witnessed a marginal 1% increase in urea sales.

Given that the gas prices are slated to increase in FY 2014-15, the domestic production over "cut off" levels may see some reduction,

The Company is the world's fourth largest producer of sodium bicarbonate with about 6% capacity share (FY 2013-14) and is the market leader in India and UK.

if the international prices do not prove to be supportive. The New Investment Policy 2012 for urea has been tweaked during the year and may undergo further changes with the functioning of the Government. The policy, as it stands today, is not attractive enough to invest in the expansion of urea capacity. The Government announced an increase in the fixed cost subsidy for existing urea plants, effective for FY 2014-15. The fixed cost considered is now moving closer to the actual expenses incurred by the companies.

#### Urea Demand Forecast (million tonnes)

2017-18 (E*)	33.8
2013-14	31.2

#### DAP Demand Forecast (million tonnes)

2017-18 (E*)	12.7
2013-14	11.8

#### NPK Demand Forecast (million tonnes)

2017-18 (E*)	12.3
2013-14	10.6

\* Estimated

Source: 12th Planning Commission Working Report

### Complex Fertilisers (DAP, NPK, SSP)

The demand for phosphatic fertilisers remained subdued in FY 2013-14 due to the inventory overhang. The sales of DAP and NPK shrunk by 25% and 2%, respectively, during the year. The reduced demand from India affected the international prices of phosphoric acid and ammonia in FY 2013-14. Even though the yearly average Indian Cost and Freight Rates (CFR) for phosphoric acid and ammonia were lower by 19%, the price volatility of phosphoric acid was high compared to the previous year. The exchange rate continued to remain volatile during the year, creating uncertainty for the segment. The advantages of international price softening have been absorbed by the Government to reduce its subsidy burden. The year also witnessed the Government notifying an indicative MRP for these products, along with the subsidy.

The rollover of subsidy for phosphate in FY 2014-15 and the revised view on the MRP has proved to be comforting for the industry. The beginning of FY 2014-15 with lower trade inventories is expected to restore normalcy in the sales of complex fertilisers.

### Customised Fertilisers

Customised fertilisers are crop and region-specific fertilisers carrying macro and micro nutrients that provide holistic solutions to deteriorating soil health. The product has great relevance in the context of depleting NPK balance in soil and increasing deficiencies of secondary and micro nutrients. The Government is placing greater emphasis on balanced nutrition. The Company has so far

The Company has registered four grades of customised fertilisers for major crops like paddy, wheat, potato and sugarcane for Western U.P.

registered four grades for major crops like paddy, wheat, potato and sugarcane for Western U.P.

Although the product has received a favourable response from farmers, with respect to the convenience of use, increased yield, as well as the improved quality of the produce, sales have been low, due to the drastic increase in the prices of decontrolled fertilisers and initial hesitation in adopting a new fertiliser application practice. The Company is continuing its efforts in popularising the product by targeting select clusters and conducting focused awareness-building activities in those areas. In the case of sugarcane grade, the Company is trying to popularise the products by involving sugar mills in the process.

### Trading

The traded business comprising bulk fertilisers and non-regulated branded agri inputs constitutes a major segment of the Company's business in India.

TCL imports Muriate of Potash (MOP) and DAP. In FY 2013-14, the yearly average prices of DAP at Tampa and MOP Indian contract prices were lower by 15% and 20%, respectively, compared to the previous year. While the MOP imports have grown by 31%, sales increased marginally by 3% in the year, on an all-India basis. The bulk fertiliser imports have the inherent risks of global price volatility, exchange rate volatility and high lead times. The Company has maintained a cautious approach in this area in FY 2013-14.

The Company, along with its subsidiary, Rallis, is offering a unique and diverse product portfolio in the non-regulated branded agri inputs space. This includes specialty nutrients, pesticides, seeds and farm services. The increase in demand can be met only by improving the productivity. The deficiency of secondary and micronutrients in Indian soil has reached a critical level. Additionally, the organic carbon content of Indian soil is also low, which has started to affect the efficiencies of nutrient usage. Better yields can only be achieved by better nutrient management practices viz. usage of high nutrient use efficient fertilisers like water soluble fertilisers, Plant Growth Regulators (PGRs), secondary and micro nutrients and soil amelioration methods using organic manures. The seed replacement rates and use of hybrid seeds are showing an increasing trend. The availability of agricultural labour is decreasing day by day, which in turn, is causing an

## MANAGEMENT DISCUSSION AND ANALYSIS

increase in the usage of herbicides. The Company continues to focus on the non-regulated branded agriculture inputs space in FY 2014-15 by providing high quality agriculture inputs and solutions to farmers.

**Subsidy Payments**

FY 2013-14 ended with a large amount of unpaid subsidy of ₹ 1,794.89 crore on account of the subsidy burden carried forward from FY 2012-13. This has resulted in additional working capital pressure during the year. The budget allocation for fertiliser subsidy in FY 2014-15 also appears to be low and thus, it may adversely affect the working capital position in FY 2014-15 as well.

**Tata Kisan Sansar****No. of Tata Kisan Sansars**

2013-14	957
2009-10	673

Tata Kisan Sansar (TKS), a dedicated franchisee retail network model for distribution of agri inputs, is well established in the Northern and Eastern regions of the country. This concept involves a trustworthy store offering "One stop agri inputs and services" to farmers. Apart from offering products and services, TKS outlets also act as active agents for knowledge transfer and adoption of best management practices in agriculture. They provide direct connect with the farmers to understand their changing needs and tailor products and services accordingly. TKS outlets are offering farm advisory services, subsidised soil testing, Hello Krishi-mobile based agri information services, Smart Krishi services offered to farmers for certain critical farm operations with the use of the latest technologies and well-researched farm practices. TKS is undertaking a unique farmer relationship management initiative under the TATA Kisan Parivar Membership (TKPM) programme. Currently, 957 Tata Kisan Sansar retail outlets are fully operational.

The key concern for FY 2014-15 would be the impact of El Nino conditions on the monsoon, which is currently predicted at 95% of the long period average. This could see some shift in the cropping patterns. Another concern involves the insufficient subsidy allocation, which will lead to high arrears of subsidy. The Government intends to monitor the farmer prices (MRP) even in

FY 2013-14 ended with a large amount of unpaid subsidy of ₹ 1,794.89 crore on account of the subsidy burden carried forward from FY 2012-13.

the decontrolled segments. In addition, the caution displayed by the manufacturers and importers may adversely impact the availability of fertilisers whenever prices are strengthening. The dis-proportionate use of nitrogen and its impact on balanced nutrition continues to remain a concern; the current NPK balance in soil has deteriorated to 8.7:3.4:1.

The Indian population is likely to reach 1.4 billion by 2025 leading to higher demand for food to the tune of ~300 million tonnes i.e. an additional 4 million tonnes every year. The importance of all agri inputs like bulk fertilisers, specialty nutrients, crop protection products and seeds to increased productivity has become all the more important in this scenario. However, there is an increasing need to focus on the improved techniques and effectiveness in using these inputs, both by the Government and the farmers. The Company is also attempting to participate in this journey by focusing on farmer advisory, agri information services, soil testing services, organic fertilisers and customised fertilisers.

**Rallis**

The global crop protection market for 2013 was up 9.4% over 2012 and all the regions displayed a decent level of growth over the previous year. The strongest growth was recorded in Latin America, which was due to strong crop prices and an increase in the demand for maize, soyabean and sugarcane.

In India, FY 2013-14 started on a positive note with a good monsoon covering almost the whole country during the 'Kharif' season. The crop protection industry had a good year on the whole. The first half of the fiscal bore well for agriculture, translating into good gains for the agri inputs industry. Excess rains followed at the beginning of the 'Rabi' season that helped increase the crop acreage, particularly for paddy, pulses and wheat. For the country as a whole, the rainfall during the crucial June - September period was 106% of its long period average. Sufficient rainfall, coupled with decent expectations of produce prices, resulted in a favourable environment for the industry during the first half. The third quarter, however, did not shape up as well, with cyclones and incessant rains damaging crops and seriously affecting the usage of crop protection solutions during the period.

**Domestic Agro Chemicals Demand (₹ crore)**

2013-14	13,100
2009-10	7,935

Rallis' Domestic Branded Formulations business performed well, registering a healthy growth over the previous year. This was driven by a sustained thrust on mega brands, successful implementation of various activities under Rallis Kisan Kutumb

(RKK), integration of new business segments (Grow More Pulses (MoPu), Samrudh Krishi, synergy from the non pesticide portfolio), innovative channel partner engagement initiatives, expansion in growing markets and operational excellence/agility. The good monsoon during the kharif season also facilitated a positive environment for agriculture growth.

#### Rallis Kisan Kutumb Farmers (lakh)



Rallis International business has been displaying significant growth over FY 2012-13 and continues to be above 30% of its overall revenue for the past two years. The growth is being recorded from all regions, particularly from Asia and Latin America on account of higher demand. The key highlights for International business during FY 2013-14 include the launch of blockbuster brands in overseas markets. Significant progress is being recorded in the brand launch process, with one being launched successfully in Asia. Rallis is also leveraging the presence of Tata Africa to introduce its brands in Nigeria. The International business has received 10 new registrations and has been applying for a number of new registrations, which are expected to be received over the next 3 to 5 years.

Building and sustaining relationships has been one of the key strengths of Rallis. Rallis has been the fore runner in initiating various engagement platforms for its stakeholders such as RKK (for farmers), Bhagidaari Sabha and Anubandh (for channel partners).

Various new growth business initiatives under the Non Pesticide Portfolio (NPP) like Seeds, Plant Growth Nutrients (PGN) and agri services initiatives include MoPu and Samrudh Krishi and the Soil Conditioner business – Geo Green. These are helping to increase the Rallis' products and services portfolio in core crop protection markets and creating good synergy in enhancing the domestic formulations business. The NPP business activities are increasing the farmer connect and visibility in the markets and boosting the crop protection business in key crop segments.

#### Domestic Seeds Demand (₹ crore)



Several innovative dealer motivation platforms under the Channel Partner Engagement programme initiated 3 years back are contributing towards increasing the sales of selected key products in all the geographies. Innovative programmes like Anubandh, Achievers Incentive and MD's Elite are playing an important role in making the channel support our key brand sales. The online integrated dealer portal for the channel e-Bandhan,

Tata Salt is retaining a strong Brand Equity Index (BEI) of 7.3 – making it among the top 6% brands globally

(Source: Nielsen Winning Brands Survey).

which was started during the year, has been well appreciated and is steadily improving the online order placing and stock reporting process.

#### Consumer Products Business Consumer Growth

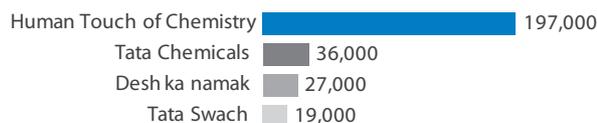
##### No. of Consumer Products



##### Revenue from Consumer Products (₹ crore)



##### Facebook Likes



#### Salt

The estimated current annual consumption of edible salt in India is ~5.9 million tonnes. The demand for edible salt is expected to grow at a rate of ~1.5%. The private sector contributes over 90.3% of the salt production, while the public sector has a share of about 1.5% and the cooperative sector contributes about 8.2%.

TCL's salt portfolio has continued to grow in FY 2013-14, leveraging the Company's brand equity and strong distribution network. While continuing its leadership position in the packaged salt market, Tata Salt is retaining a strong Brand Equity Index (BEI) of 7.3 – making it among the top 6% brands globally (Source: Nielsen Winning Brands Survey).

Tata Salt Lite continues to be the leading brand in the low sodium salt segment, showing 11% growth in volumes over the previous year. All the brands continue to grow and have together achieved a market share of over 67.9% among the national-level salt brands.

##### Tata Salt Reach - No. of households (crore)



MANAGEMENT DISCUSSION AND ANALYSIS

**Tata Salt Retailer Reach (lakh)**



**Tata Salt Market Share (National Branded) (%)**



**Tata Salt Market Share (Overall) (%)**



**Tata Salt Brand Equity Score**



**OTHERS**

**Pulses**

The Company's 'Grow More Pulses' initiative with Rallis engages with 150,000 farmers across 4 states. The farmers associated with the initiative benefit from the Company's advisory training programmes and continue to enjoy yield increases of 20-50% through the crop cycle.

The Company also doubled its sales of pulses and as a natural extension to I-Shakti unpolished pulses, it launched the Tata I-Shakti 100% chana dal besan.

A supply chain restructuring exercise has been carried out, with 3 primary centres being based close to the sourcing and milling locations. This is improving the freshness of delivery and ensuring higher shelf life.

During the year, the Company has been focusing on expanding its distribution and reach to 45,000 outlets in key markets. This has improved the product penetration and contributed towards sales growth of 110% y-o-y.

**Water Purifier Business**

This year, the Company is in the process of extending its range of water purification products and has now added high-end Reverse Osmosis (RO) purifiers to its existing portfolio of basic filter purifiers.

**Demand**

Based on secondary sources such as Market Pulse, Frost & Sullivan and ASSOCHAM projections, the water purifier category size in India is estimated to be at ~₹ 4,200 crore growing at a CAGR of 22%. Out of this, the value of offline gravity storage purifiers

is estimated to be at ~ ₹ 800 crore and the online (RO/UV/UF) purifiers value is estimated to be at ₹ 3,400 crore.

The total water purifier volume stands at an estimated 81 lakh units for FY 2013-14, with current household penetration at an average ~3% for rural and an average of ~12% for urban markets for the year. The overall low penetration and discretionary consideration of consumers for water purifier as a category has indicated the requirement of heavy market investments in creating acknowledgment for the problem and then awareness on the solution/ Brand. The industry is witnessing an up-gradation in consumer purchase behaviour from offline purifiers to online purifiers across the top 30 cities. Even the entry level preference is shifting towards online RO purifiers in case of upper middle-class households (Monthly Household Income of ₹ 30,000 to ₹ 50,000). Resonating with this trend, the Company is expanding the Tata Swach product portfolio with multiple online variants such as Platina (RO) and Ultima (RO+UV), both of which have generated encouraging consumer responses during the pilot market phase.

**No. of Households Reached (lakh)**



**Market Share (Offline) (%)**



**No. of Outlets Reached**



**Nutritional Solutions**

The Indian Parliament has recently passed the Food Security Act, which also covers nutritional security. An important element of nutritional security involves ensuring optimal nutrition. The advances in nutrition science are increasingly able to establish the relationship between different nutritional ingredients and their respective health related benefits. There appear to be strong links between the high incidences of many lifestyle related diseases and improper nutrition in an individual's daily diet. The objective of TCL's fledgling Nutritional Solutions business is to participate in this high growth potential sector. The Company is providing ingredients and formulations that can be consumed as part of an individual's daily diet to improve nutrition.

Initially, the business will be focusing on ingredients and formulations aimed at improving gut health. Hence, the portfolio of products will include various types of dietary fibres (soluble and insoluble), prebiotics, nutraceuticals and phytochemicals that improve gut health. The products will be aimed at players in the food industry to nutritionally fortify their end products.

The Company will be producing its first product, Fructo-oligosaccharide (FOS), at its own manufacturing plant near Chennai. Trial production is set to begin in the first quarter of FY 2014-15. As the sector and the platform technologies are both novel for the Company, it is planning to utilise FY 2014-15 to learn and build a strong foundation for this business. The Company is, over a period of time, planning to offer an entire portfolio of products, which are all aimed at gut health improvement and manufactured using green chemistry based processes. Concurrently, the Company's Innovation Centre near Pune will build the scientific, technological and regulatory domain expertise and capabilities needed to offer an ever-widening range of differentiated products. The business aims to serve markets globally through a mix of organic and inorganic steps.

## ANALYSIS OF FINANCIAL PERFORMANCE

### Financial Analysis of Tata Chemicals Limited (Standalone entity in India) - Year Ended 31st March, 2014

#### 1. Net Sales/Income from Operations:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Sale of products	8,827	8,519	308	4
Other Operating Income	99	89	10	12
Less: Excise Duty	237	226	11	5
<b>Net Sales/Income from Operations</b>	<b>8,689</b>	<b>8,382</b>	<b>307</b>	<b>4</b>

Net sales increased by 4% during FY 2013-14 over FY 2012-13 mainly due to higher sales volumes of manufactured phosphatic fertilisers, soda ash and salt.

#### 2. Other Income:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Other Income	203	366	(163)	(44)

The decrease in other income is attributable to one time foreign exchange gain on redemption of preference shares on investment in foreign subsidiaries during FY 2012-13 was ₹ 245 crore offset partly by interest on income tax refunds and higher dividend received from one of the joint venture companies in FY 2013-14.

#### 3. Cost of Materials Consumed:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Cost of materials consumed	3,194	2,989	205	7

Raw material consumption showed increase of 7% during FY 2013-14 over FY 2012-13 mainly due to higher prices of limestone, solar salt and Regasified Liquefied Natural Gas (RLNG).

#### 4. Purchases of Stock-in-Trade:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Purchases of stock-in-trade	1,614	1,404	210	15

Cost of traded goods purchased increased by 15% mainly on account of higher purchase volumes of traded product viz. pulses, STPP and traded soda ash.

#### 5. Power and Fuel:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Power and Fuel	815	726	89	12

The increase in power and fuel cost during FY 2013-14 over FY 2012-13 is mainly on account of increase in RLNG price and depreciation in USD/INR rates.

#### 6. Freight and Forwarding charges:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Freight and Forwarding charges	644	615	29	5

The increase in freight and forwarding charges during the FY 2013-14 over FY 2012-13 is due to increase in sales volumes and freight charges.

#### 7. Other Expenses:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Other expenses	197	196	1	1

There is no major movement in the other expenses

#### 8. Investments:

	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Traded investments				
Investments in subsidiary companies	3,708	3,413	295	9
Investments in Joint Ventures	166	166	-	-
Investment in Other Companies	384	383	1	0
Current investments	0	0	-	-
Less : Provision for diminution in value of investments	-	-	-	-
<b>Total Investment</b>	<b>4,258</b>	<b>3,962</b>	<b>296</b>	<b>7</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Increase in trade investments is due to increase in cumulative redeemable preference shares of Bio Energy Venture - 1(Mauritius) Pvt. Ltd. on account of merger of Homefield International Pvt. Ltd. with the Company.

**9. Inventories:**

(₹ in crore)				
	FY 2013-14	FY 2012-13	Change	% Change
Inventories	811	927	(116)	(13)

The inventories as on 31st March, 2014 is lower than the level of 31st March, 2013 by ₹ 116 crore primarily due to decrease in the stock of traded goods and finished goods.

**10. Trade Receivable:**

(₹ in crore)				
	FY 2013-14	FY 2012-13	Change	% Change
Trade receivable	2,421	2509	(88)	(4)
Less : Provision for doubtful debts	19	24	(5)	(21)
<b>Net Trade Receivable</b>	<b>2,402</b>	<b>2,485</b>	<b>(83)</b>	<b>(3)</b>

The debtors as at 31st March, 2014 are lower by ₹ 83 crore than level of 31st March, 2013. The decrease is mainly on account of decrease in debtors balances in trading business.

**11. Loans and Advances:**

(₹ in crore)				
	FY 2013-14	FY 2012-13	Change	% Change
Long-term Loans and Advances	332	265	67	25
Short-term Loans and Advances	247	296	(49)	(17)
<b>Loans and Advances</b>	<b>579</b>	<b>561</b>	<b>18</b>	<b>3</b>

Long term loans and advances increased during FY 2013-14 mainly due to increase in advance taxes. Short term loans and advances decreased during FY 2013-14 mainly due to decrease in option premium receivable due to repayment of ECB borrowings.

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

*Net cash flow from operating activities:* The net cash from operating activities is ₹ 1,441 crore during FY 2013-14 as compared to ₹ (299) crore during FY 2012-13. The cash operating profit before working capital changes and direct taxes during FY 2013-14 is ₹ 991 crore as compared to ₹ 1,222 crore during FY 2012-13. The change in working capital, during the financial year, was mainly due to decrease in trade and other receivable and increase in trade payables, other liabilities and provision and decrease in inventory.

*Net cash flow from investing activities:* The net cash outflow from investing activities amounted to ₹ 137 crore in FY 2013-14 as against an inflow of ₹ 819 crore in FY 2012-13. The outflow in FY 2013-14 is on account of acquisition of fixed assets while the inflow in FY 2012-13 broadly represents redemption of investment in subsidiaries and dividend.

*Net cash flow from financing activities:* The net cash outflow from financing activities is ₹ 1,419 crore during FY 2013-14 as compared to outflow of ₹ 322 crore during FY 2012-13.

**Net Debt :**

(₹ in crore)				
	FY 2013-14	FY 2012-13	Change	% Change
Long-term Borrowings	1,736	1,073	663	62
Short-term Borrowings	1,299	1,384	(85)	(6)
Long term borrowing payable within one year	-	1,259	(1,259)	(100)
<b>Total Debt</b>	<b>3,035</b>	<b>3,716</b>	<b>(681)</b>	<b>(18)</b>
Less : Cash and bank balances	977	1,092	(115)	(11)
Less : Current investments	-	-	-	-
<b>Net Debt</b>	<b>2,058</b>	<b>2,624</b>	<b>(566)</b>	<b>(22)</b>

Net debt as on 31st March, 2014 is ₹ 2,058 crore as compared to ₹ 2,624 crore as on 31st March, 2013. During FY 2013-14, the total debt decreased by ₹ 681 crore as compared to the balances as on 31st March, 2013 mainly due to repayment of secured NCDs and ECB USD 95 million.

**Financial Analysis of Tata Chemicals Group (Consolidated) – Year Ended 31st March, 2014****Profit and Loss Analysis****1. Net Sales/Income from Operations:**

(₹ in crore)				
Entity	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	8,590	8,293	297	4
Tata Chemicals Europe (TCE) and Tata Chemicals Africa	2,544	2,228	316	14
Tata Chemicals North America Inc (TCNA)	2,818	2,575	243	9
Indo Maroc Phosphore S.A., Morocco	532	493	39	8
Rallis India Ltd.	1,727	1,441	286	20
Others and Eliminations	(476)	(459)	(17)	3
<b>Total</b>	<b>15,735</b>	<b>14,571</b>	<b>1,164</b>	<b>8</b>

**Comments:**

Net sales have increased by 8% during the year ended 31st March, 2014 primarily due to:

- Inorganic Chemicals: higher volumes in India, Tata Chemicals Magadi Limited (TCML) and TCNA, appreciating USD and GBP rates, improved realisation in India and Europe offset by lower volumes at TCE and lower realisation at TCML and TCNA.

b. Fertilisers: higher volumes and realisation of urea, higher volumes of complex fertilisers viz. NPK, DAP and traded MOP, offset by lower volumes of traded DAP, phosphoric acid and lower realisation of complex fertilisers, traded MOP, traded DAP and Phosphoric Acid.

c. Rallis India Limited – higher revenue due to higher volumes and higher realisation.

## 2. Cost of Materials Consumed:

(₹ in crore)				
Entity	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	3,194	2,989	205	7
Tata Chemicals Europe and Tata Chemicals Africa	266	282	(16)	(6)
Indo Maroc Phosphore S.A., Morocco (IMACID)	333	391	(58)	(15)
Rallis India Ltd.	810	718	92	13
Others and Eliminations	(262)	(340)	78	(23)
<b>Total</b>	<b>4,341</b>	<b>4,040</b>	<b>301</b>	<b>7</b>

### Comments:

Raw material consumption increased by 7% as compared to the previous year primarily due to:

- Inorganic Chemicals: Higher production volume in India (soda ash), TCML, appreciating GBP rates offset by lower production volumes at TCEL.
- Fertilisers: increase in price of RLNG and Administered Price Mechanism (APM) Gas and higher production of urea, DAP, NPK and phosphoric acid offset by reduction in the purchase price at IMACID.

## 3. Purchase of Stock-in-Trade:

(₹ in crore)				
Entity	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	1,614	1,404	210	15
Tata Chemicals Europe and Tata Chemicals Africa	226	109	117	107
Tata Chemicals North America Inc	38	62	(24)	NA
Rallis India Ltd.	171	116	55	47
Others and Eliminations	(236)	(126)	(110)	87
<b>Total</b>	<b>1,813</b>	<b>1,565</b>	<b>248</b>	<b>16</b>

### Comments:

The cost of traded goods purchased has increased by ₹ 248 crore mainly due to increase in purchase of traded MOP, increase in

purchase of STPP, pulses offset by reduction in purchase of traded DAP.

## 4. Employee Benefit Expenses:

(₹ in crore)				
Entity	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	267	274	(7)	(3)
Tata Chemicals Europe and Tata Chemicals Africa	346	302	44	15
Tata Chemicals North America Inc	462	432	30	7
Indo Maroc Phosphore S.A., Morocco	20	18	2	11
Rallis India Ltd.	111	94	17	18
Others and Eliminations	9	6	3	50
<b>Total</b>	<b>1,215</b>	<b>1,126</b>	<b>89</b>	<b>8</b>

### Comments:

The employee cost increased by 8% mainly due to revised wages in India, Europe and US, increase in medical cost at India and appreciating USD / GBP rates offset by actuarial gain at India due to increase in discount rate by 95 basis point.

## 5. Power and Fuel:

(₹ in crore)				
Entity	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	815	726	89	12
Tata Chemicals Europe and Tata Chemicals Africa	965	661	304	46
Tata Chemicals North America Inc	302	235	67	29
Indo Maroc Phosphore S.A., Morocco	12	10	2	20
Rallis India Ltd.	62	49	13	27
<b>Total</b>	<b>2,156</b>	<b>1,681</b>	<b>475</b>	<b>28</b>

### Comments:

Power and fuel charges have increased by 28% compared to the previous year due to:

- Inorganic Chemicals: higher production in India, TCNA and TCML and higher gas price at TCNA, TCML, TCEL and appreciating USD and GBP rates offset by lower price (pet coke and coal) at India.

## MANAGEMENT DISCUSSION AND ANALYSIS

- b. Fertilisers: increase in production volumes of urea, DAP, NPK, SSP higher input cost of RLNG and APM gases.

**6. Other Manufacturing Expenses:**

Entity	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	1,872	1,943	(71)	(4)
Tata Chemicals Europe and Tata Chemicals Africa	792	606	186	31
Tata Chemicals North America Inc	1,390	1,251	139	11
Indo Maroc Phosphore S.A., Morocco	149	57	92	161
Rallis India Ltd.	333	271	62	23
Others and Eliminations	25	8	17	213
<b>Total</b>	<b>4,561</b>	<b>4,136</b>	<b>425</b>	<b>10</b>

Other manufacturing expenses represent the following:

Particulars	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Stores, Spares Parts and Consumables	687	612	75	12
Repairs	413	370	43	12
Royalty, Rates and Taxes	259	206	53	26
Commission, discounts and distributors' service charges	118	85	33	39
Sales promotion expenses	242	196	46	23
Freight and forwarding charges	1,832	1,638	194	12
Change in inventory of work-in-process and finished goods	109	207	(98)	(47)
Others(*)	901	822	79	10
<b>Total</b>	<b>4,561</b>	<b>4,136</b>	<b>425</b>	<b>10</b>

(\*) - Others include insurance charges, rent, professional fees, hedging costs, travelling expense, provision for doubtful debts and advances, directors' fees/commission and other expenses.

**Comments:**

The other manufacturing expenses during the year ended 31st March, 2014 have increased by ₹ 425 crore compared to corresponding period in the Previous Year (PY) primarily due to:

- Higher stores, spare parts and consumables (higher at India, TCE+TCML, TCNA), Higher repairs (higher at TCE due to number of shutdown, plant failure and TCNA) royalty, rates and taxes (higher at TCNA due to increase in royalty tax), commission, discounts and distributors' service charges (higher at Rallis), sales promotion expenses (higher at Rallis and salt business), freight and forwarding expenses (due to higher freight charges and increase in export at TCNA and higher volumes at IMACID and Rallis), appreciating USD and GBP rates and other expenses offset by reduction in hedging and MTM cost at TCL.
- Movement in inventory change (WIP and finished goods) is primarily on account of increase in stock levels in case of Indian operation (traded DAP and traded MOP) during period ended 31st March, 2014 as compared to decrease in stock level during the corresponding period.

**7. Finance Costs:**

Entity	(₹ in crore)			
	FY 2013-14	FY 2012-13	Change	% Change
Tata Chemicals Limited	185	203	(18)	(9)
Tata Chemicals Europe and Tata Chemicals Africa	193	144	49	34
Tata Chemicals North America Inc	162	102	60	59
Rallis India Ltd.	12	18	(6)	(34)
Others and Eliminations	27	(3)	30	-
<b>Total</b>	<b>579</b>	<b>464</b>	<b>115</b>	<b>25</b>

**Comments:**

The increase / decrease in Finance costs is mainly due to:

- TCL : Reduction in interest cost on account of repayment of ₹ 240 crore NCD and USD 95 million ECB in FY 2013-14, reduction in buyer's credit interest cost by ₹ 6.11 crore offset by i) ₹ 2.93 crore interest on lease rent on brine land, ii) Interest on customs duty on ammonia ₹ 2.03 crore.
- TCE and TCML : GBP 10 million increase in borrowing and depreciation of GBP and USD against INR.

- TCNA : ₹ 62 crore charge (\$10 million) on account of charging off of unamortised finance cost due to refinancing of loan.
- Others : Tata Chemicals International Pte. Ltd. (TCIP): Interest on borrowings of \$200 million at TCIP and working capital facilities availed.
- Rallis : Reduction on account of better working capital management and rate negotiations and redemption of Non-Convertible debentures amounting to ₹ 75 crore on 29th October, 2013.

#### 8. Exceptional Items/Other Notes :

- i) Exchange loss (net) on account of foreign currency long term borrowings for the year ended 31st March 2014 amounting to ₹ 158.47 crore (year ended 31st March, 2013 ₹ 167.25 crore). It includes :

- write off of ₹ 82.99 crore for the year ended 31st March, 2014 on account of unamortised Foreign Currency Monetary Item Translation Difference Account "FCMITDA" on account of refinancing of the outstanding External Commercial Borrowing "ECB" of USD 190 million during the year ended 31st March, 2014 and;
- a charge of ₹ 23.84 crore on account of early termination of related options, cross currency swaps and forward contracts obtained to manage the currency and interest risks relating to the foreclosed borrowing.

- ii) Non-cash charge towards write down of goodwill ₹ 619.77 crore and other assets (including capital work-in-progress) of ₹ 304.61 crore relating primarily to the Group's Kenyan operations in the "Inorganic Chemicals" segment, ₹ 44.30 crore relating to "Fertilisers" segment and ₹ 15.00 crore "Others" segment for the year ended 31st March, 2014 (₹ 374.41 crore for the year ended 31st March, 2013 primarily relating to the European operations).
- iii) A provision of ₹ 242.28 crore for the year ended 31st March, 2014 towards costs associated with the restructuring of operations of Tata Chemicals Europe Limited (₹ 30.98 crore for the year ended 31st March, 2013).
- iv) Provision of ₹ 180.31 crore made in view of the significant decline in the value of the Group's investments in EPM Mining Ventures Inc. "EPM" for the year ended 31st March, 2014.

- v) Gain on termination of a supply contract ₹ 160.96 crore for the year ended 31st March, 2014.
- vi) Provision in respect of dues from regulatory agencies which have been contested by the Group ₹ 16.43 crore for the year ended 31st March, 2014.
- vii) 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 Accounting Standard 21 – Consolidated Financial Statements. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the Consolidated Statement of Profit and Loss been followed, the consolidated net (loss)/ profit before tax and net (loss) / profit after tax of the Group would have been higher / (lower) by amounts as per table below:

	(₹ in crore)	
Impact on :	FY 2013-14	FY 2012-13
Consolidated net (loss) /profit before tax	<b>140.95</b>	(155.34)
Consolidated net (loss) /profit after tax of the Group	<b>77.36</b>	(116.92)

#### INNOVATION AND TECHNOLOGY

##### Tata Chemicals Innovation Centre

The Company has established an Innovation Centre (IC) to undertake research in applied sciences with a view to seeding new businesses, using the principles of sustainability and green chemistry. The Company has already identified biotechnology and nanotechnology as the new platforms that would contribute to its revenues over the next decade. It has been envisaged that superior and unique technologies (pertaining to process and / or product attributes) would differentiate the Company from its peers and make it distinctive. The Company's current efforts to incubate businesses/monetise technologies in wellness Food and Nutrition, Agri-Technologies and Advanced Materials are the outcomes of this process.

## MANAGEMENT DISCUSSION AND ANALYSIS

Till date, the IC has filed for 54 patents (9 in FY 2013-14) out of which 11 have been granted. The construction of the new state-of-the-art Company owned Innovation Centre has been completed and is functioning.

In FY 2013-14, the IC team has pursued the following work-streams:

- Partnering with the Nutritional Ingredients' Business Unit to establish FOS production at the greenfield production unit near Chennai
- Ensuring bench scale production protocols for (Galactooligosaccharide (GOS) (next in pipeline after FOS)
- Ensuring technical support and product upgrade support to the water purifier Business Unit
- Developing crop and soil specific nutrition and protection formulations for commercialisation by the Company / Rallis
- Launching collaborative research projects with Rallis, Tata Autocomp (TACO), Tata Global Beverages, Tata Motors and Tata Steel
- Participating in the Tata Group Technology forum on fuel cells and exploring the aspect of bio-based chemicals

#### Tata Chemicals Centre for Agri-Solutions and Technology

The Centre for Agri-solutions and Technology (CAT) has been set up for the development of innovative crop nutrition solutions, improvement of existing products, development of the crop nutrition decision support system and provision of technical back-up for Crop Nutrition and Agri business. It is strategically located in Aligarh (Uttar Pradesh, India), amid the Indo-Gangetic plain, which is considered to be the food-bowl of India. CAT is recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, for its research capabilities. It is equipped with a state-of-the-art Crop Nutrition Lab that has all the necessary analytical facilities required for soil, crop, fertiliser, manure and water analysis. The Centre has been staffed with experienced scientists who are engaged in the development of crop nutrition products in the segments of customised fertilisers, water soluble fertiliser products, organics, and micronutrient formulations. CAT has been

The Company has established an Innovation Centre (IC) to undertake research in applied sciences with a view to seeding new businesses, using the principles of sustainability and green chemistry.

developing area and crop specific customised fertilisers for basal application on crops like rice, potato, sugarcane and wheat for Western U.P. The Company has been developing crop specific foliar nutrition products for identified high value crops. The organic segment includes NPK bio-fertiliser formulation, fortified compost and plant growth promoting substances. The Company has also been developing high efficiency micronutrient fertiliser formulations. CAT is working closely with the R&D team of Pune in evaluating opportunities in the application of nanotechnology and biotechnology to plant nutrition. In addition, CAT has technical collaborations with several International and National Institutes/Universities for promoting existing technologies or for developing new products/technologies.

#### Patents (TCL and its Subsidiaries)

Cumulative No. of Patents Filed	151
Cumulative No. of Patents Granted	34
Cumulative No. of Patents in Application	95

#### HUMAN RESOURCES

People remain the cornerstone of the Company. As the Company embarks on its transformation journey - it is the people who are delivering the real success story. The Company's confidence stems from the commitment and capabilities of its people.

The HR strategy focuses on creating a committed, competent and cohesive team nurtured in a culture of excellence. The Company attracts, develops and retains high-calibre talent. The latter, in turn, determines how successful the Company is and how well it upholds the Tata values, while achieving the stated business vision.

To secure talent for existing and new business plans, the Company depends on fresh talent from distinguished academic institutions or picks up lateral talent with required expertise. The Company has launched 'SHINE' (Seamlessly Harness Internal Expertise) a year ago to promote talent and retain expertise within it. This initiative is also gaining strength. In FY 2013-14, 20% positions were filled in through SHINE and 20% through employee referrals. A structured e-induction module - 'inCEPT'- was commissioned to facilitate effective and speedy assimilation of new comers into TCL. It is available to all recruits globally on the Company intranet.

The Company wants employees to feel engaged and valued. Customised programmes / initiatives that include employee friendly administrative policies, meritocracy in performance management and rewards, ample learning opportunities, fun-at-work, inclusion and transparent communication remain the vehicles that sustain a sense of ownership and belonging.

Leveraging opportunities in new businesses and products, the Company stimulates employee development by moving people into new roles as part of their career progression. The overall attrition rate stands at 4.8%. A slew of tailor-made wellness programmes and group activities at sites provide support in building a well-knit team. The Employee Engagement Survey for FY 2013-14 witnessed 94% participation. The Company's score is consistent at 68% while scores in other geographies have also registered an improvement over previous years.

The Company has always acknowledged that knowledge is a source of competitive advantage in preparing its workforce to overcome the challenges of the future. The Company's Learning and Development efforts are being directed towards sharpening of core competitive advantages - Operational Excellence and Customer Centricity. Several learning initiatives are being made available to the employees across the organisation to build or enhance role-critical competencies through functional, behavioural and leadership training in these areas. These include Jagruti – for the front-line field force in Agri business, Technical Capability programmes at manufacturing sites, On-the-job projects by Management Development Programme (MDP) members and extensive focus on Safety Awareness initiatives. The MDP has been redesigned to incorporate relevant inputs to equip people in handling future challenges. During the fiscal, the Company initiated 88 unique programmes with 13,207 workdays of training, including the flagship MDP programme. E-learning platforms like Skill Soft and Harvard Manage Mentor (HMM) enable wider participation with self-paced learning. The Company continues to encourage and build internal faculty through its flagship Certified Trainers' programme named 'Katalyst'. As many as 143 training sessions have been conducted across the country by the internal faculty.

The knowledge management portal on the social space of the Company has been redesigned to contribute towards enhanced learning and sharing opportunities for its employees. The Company values diversity of thought, inclusion, varied backgrounds and global experiences, which collectively help it to succeed in the long run. TCL has drawn up an integrated action plan to promote Diversity and Affirmative Action, in line with the Tata Group's LEAD programme.

The Industrial relations situation across all locations of the Company continues to remain harmonious.

The Company's leadership commitment to deploy Lean Six Sigma and Operational Excellence has helped drive employee productivity and large scale process improvements across geographies. The Company has a well-defined mitigation programme to address HR related risks.

In FY 2013-14, 20% positions were filled by internal talent, 20% were filled in through employee referrals.

The Company would also like to thank its workforce and employee representatives for their commitment and constructive cooperation during the past year.

#### Manpower Strength as on 31st March 2014

TCL-India	3,113
Tata Chemicals North America	542
Tata Chemicals Magadi	435
Tata Chemicals Europe	476

## SUSTAINABILITY

### Business Responsibility Report (BRR)

Vide its circular dated 13th August, 2012, the Securities and Exchange Board of India (SEBI) introduced Clause 55 of the Listing Agreement which mandates the inclusion of BRR as a part of the Annual Report for top 100 listed entities, based on their market capitalisation on BSE Limited and the National Stock Exchange of India Limited as on 31st March, 2012. Although the Company was not part of the top 100 listed entities as on 31st March, 2012, it has decided, as a Responsible Corporate Citizen, to voluntarily prepare the BRR as per the format prescribed by SEBI. In accordance with the press release and FAQs dated 10th May, 2013 issued by SEBI, the Company's BRR will be hosted on its website [www.tatachemicals.com](http://www.tatachemicals.com). Any Shareholder interested in obtaining a physical copy of the same may write to the General Counsel & Company Secretary at the Registered Office of the Company.

### Sustainability Reporting

The Company is conscious of its role as a Responsible Corporate Citizen and adheres to the norms of Corporate Governance. The Company has published a Sustainability Report since 2003, which is externally assured and in the public domain from 2006. The Company plans to come out with the Sustainability Report FY 2013-14 shortly. This report will be based on the GRI G4 guidelines covering the core indicators. The Company's Sustainability Report can be viewed on its website [www.tatachemicals.com](http://www.tatachemicals.com).

#### Community Satisfaction Index - TCL India

2013-14	4.2
2009-10	3.8

## MANAGEMENT DISCUSSION AND ANALYSIS

**United Nations Global Compact (UNGC)**

The Global Compact requires businesses to adhere to ten principles in the areas of human rights, labour standards, environment and anti-bribery. The Company has been preparing the "Communication on Progress" (COP) from 2005 as per the Global Compact Initiative taken up by the Secretary General of the United Nations. The Company continues its commitment to the UN Global Compact and will submit its COP on the ten UNGC principles for the current year. The details of the UNGC COP can be viewed on [www.unglobalcompact.org](http://www.unglobalcompact.org) and the Company's website [www.tatachemicals.com](http://www.tatachemicals.com).

**Carbon Disclosure Project (CDP)**

The Carbon Disclosure Project (CDP) is an international, not-for-profit organisation providing a global system for companies and cities to measure, disclose, manage and share vital environment related information. It works to transform the way the world does business to mitigate the effects of climate change and protect our natural resources. The Company is responding to CDP since FY 2008-09 for Climate Change and is consistently maintaining its position under the Carbon Disclosure Leadership Index (CDLI) since FY 2010-11. The Company has also started CDP Water reporting from FY 2012-13.

**Enterprise Specific Emission (Tonnes CO<sub>2</sub> / Tonne Products)**

2013-14	0.689
2010-11	0.678

**SAFETY AND HEALTH**

Safety is one of the core values and the Company is committed to continually improve the safety performance by targeting Zero Harm, through world class safety practices. For exclusive oversight on Safety, Health, Environment (SHE) and Sustainability aspect, the Company has formed a Board level Committee – Safety, Health, Environment and Sustainability (SHES) Committee (now known as CSR, Safety and Sustainability Committee). The Board provides valuable direction and guidance to the Management to ensure that SHES implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans. The senior leadership plays a critical role in encouraging positive attitudes towards safety and help in creating an environment that fosters safety culture, by establishing clear and transparent policies

The Company is committed to continually improve the safety performance by targeting Zero Harm, through world class safety practices.

like SHE Policy, Cardinal Rules of Safety, TataChem Golden Rules of Safety, etc. The Company has adopted voluntary standards like Responsible Care, OHSAS, British Safety Council guidelines, AIChE-CCPS Guidelines, to ensure continual improvement in the SHE performance.

Senior managers seek to demonstrate effective safety and health leadership from line functions and have integrated the same with their responsibilities and daily duties. Reward and Recognition schemes are in place for safety.

Regular health check-ups tailored as per work area hazards are carried out to monitor all aspects of health including occupational parameters. Employees working in hazardous areas undergo health check-ups twice a year while others undergo the same once a year. Ergonomic surveys are conducted from time to time.

The Company has continuously promoted a safe and fair workplace. A "Prevention of Sexual Harassment" (POSH) at workplace policy in line with the statutory requirement is put in place along with the required redressal mechanism. Various training and awareness programs are conducted across the organisation in order to sensitise the employees to needs and concerns of women employees and the POSH policy.

During the year, the Company received one complaint on sexual harassment which was resolved. Appropriate actions were taken in terms of improvement of policy and administration department support to make business travel better for women employees. Five workshops/awareness programs against sexual harassment were carried out during the year.

**INTERNAL CONTROLS AND RISK MANAGEMENT**

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 the business and corporate levels. The Head of Audit and Risk Management reports directly to the Chairman of the Audit Committee of the Board of Directors, which ensures process independence.

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

The scope and authority of the Corporate Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audits are performed by an in-house team of multi-disciplinary professionals comprising Chartered Accountants and Engineers. Reviews are conducted on an on-going 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 decentralised 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 requirements.

The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Head of Audit and Risk Management 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 efficiency of the internal control systems. A peer review of the Internal Audit function is conducted once every four years to assess the qualitative effectiveness of internal audits, with reference to standards and best practices.

The Company believes that every employee has a role to play in fostering an environment in which controls, assurance, accountability and ethical behaviour are accorded high importance. To supplement the reviews carried out by the Internal Audit teams, the Company follows an elaborate system of Control Self Assurance (CSA) (self-audit) which is carried out during the year. The CSA coverage includes all critical departments in the organisation.

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 the Company employees. This complements the Internal Audits conducted to ensure total coverage during a year.

Risk Management and Internal Audit functions complement each other. Over the years, the Enterprise Risk Management (ERM) process has evolved into a robust exercise entailing a balanced bottom up and top down approach covering all units, functions and departments of the Company and its subsidiaries. The basic framework followed is the international standard AS/NZS 4360:1999. The Risk Management process is also benchmarked periodically against available standards such as ISO 31000.

The Company's risk identification and assessment process is dynamic and hence it has been able to identify, monitor and mitigate the most relevant strategic and operational risks, both during periods of accelerated growth and recessionary pressures.

In FY 2013-14, the Company achieved the standard of "Emerging Industry Leader" in the Tata Business Excellence Model Assessment.

## BUSINESS EXCELLENCE

The Company remains committed to continually raise the bar on performance in all aspects of the business. The Tata Business Excellence Model (TBEM) serves as a pivotal framework that allows the Company to gain insights into its performance and establish continuous improvement initiatives for attaining superior business results and maximising satisfaction and value to our customers. The TBEM framework covers six core aspects of the business: Leadership; Strategic planning; Customer focus; Measurement, Analysis and Knowledge Management; Workforce focus and Process Management. For a Global organisation which has its manufacturing operations spread across four continents, with diverse business segments and employees from different cultures, TBEM serves as a platform to establish a common standard of excellence.

The Company participates annually in the Tata Group level TBEM assessments, which provide valuable inputs into the strengths and areas of focus for the Company to strengthen the culture of excellence. In the recently concluded assessment, the Company achieved the standard of Emerging Industry Leader. The Company believes that the continued emphasis on TBEM will provide the thrust as it progresses towards becoming a world class organisation.

### Cautionary statement

*Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, 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 factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws, and other statutes and incidental factors.*

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on the Code of Governance

The Company continues to lay great emphasis on the highest standards of Corporate Governance. The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders. Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Tata culture and ethos.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Director. In addition, the Company has adopted a Code of Conduct for Non-Executive Directors. The Company's Corporate Governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Policy.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the stock exchanges with regard to corporate governance.

### 2. Board of Directors

The Board comprised of 10 Directors as on 31st March, 2014. The Managing Director and the Executive Director & Chief Financial Officer are the Whole-time Directors of the Company. The remaining are Non-Executive Directors comprising five Independent Directors and three Non-Independent Directors who possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Companies Act, 1956 as Non-Executive Directors, none of the Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates. None of the Directors of the Company are inter-se related to each other.

The Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

#### Composition

The Board has a 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 31st March, 2014 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Executive (including Managing Director)	2	20%
Independent, Non-Executive	5	50%
Non-Independent, Non-Executive (Including Chairman)	3	30%

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(l)(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.

#### 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. To enable the Board to discharge its responsibilities effectively, the Managing Director appraises the Board on the overall performance of the Company at every meeting. The Managing Director's Report is also circulated to the Board. The Board also, inter-alia, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports of the laws applicable to the Company, review of major legal issues, minutes of the Board Meetings of the Company's unlisted subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, adoption of quarterly / half-yearly / annual results, transactions pertaining to purchase / disposal of property, major accounting provisions and write-offs / write backs, corporate restructuring, Minutes of the Meetings of the Audit and other Committees of the Board.

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 and approvals are taken wherever necessary.

#### Meetings held

The Board met 6 (six times) on the following dates during the Financial Year (FY) 2013-14.

27th May, 2013	5th December, 2013
5th August, 2013	3rd February, 2014
11th November, 2013	24th March, 2014

The gap between two Meetings did not exceed four months.

The Seventy-Fourth Annual General Meeting (AGM) of the Company was held on 26th August, 2013.

#### 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 2013-14 and at the last AGM, as also the number of Directorships and Committee positions held by them in other public limited companies as on 31st March, 2014 are as follows:

Name of the Director	Category	No. of Board Meetings attended during the FY 2013-14	Whether attended AGM held on 26th August, 2013	Number of Directorships in other public limited companies*		Number of Committee positions held in other public limited companies**	
				Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. Cyrus P. Mistry (Chairman) DIN-00010178	Non-Independent Non-Executive	6	Yes	9	-	1	-
Mr. R. Gopalakrishnan (Vice-Chairman) DIN-00027858	Non-Independent Non-Executive	6	Yes	4	5	-	2
Mr. Nusli N. Wadia DIN-00015731	Independent, Non-Executive	5	No	4	3	-	-
Mr. Prasad R. Menon DIN-00005078	Non-Independent Non-Executive	4	Yes	2	5	1	3
Mr. Nasser Munjee DIN-00010180	Independent, Non-Executive	5	Yes	2	9	4	3
Dr. Yoginder K. Alagh @ DIN-00244686	Independent, Non-Executive	4	Yes	-	-	-	-
Mr. E.A. Kshirsagar DIN-00121824	Independent, Non-Executive	6	Yes	-	6	4	3
Dr. Y.S.P. Thorat DIN-02652734	Independent, Non-Executive	5	Yes	1	5	2	2
Dr. Vijay Kelkar DIN-00011991	Independent, Non-Executive	5	Yes	1	6	1	3
Mr. R. Mukundan DIN-00778233	Managing Director	6	Yes	-	3	-	-
Mr. P. K. Ghose DIN-00034945	Executive Director & CFO	6	Yes	-	4	2	2

#### Notes:

\* Excludes Directorships in associations, private, foreign companies, companies registered under Section 25 of the Companies Act, 1956 and Government Bodies.

\*\* Represents Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee (Erstwhile Shareholders'/ Investors' Grievance Committee).

@ Retired as a Director with effect from 14th February, 2014 pursuant to the Company's Retirement Policy for Directors.

## CORPORATE GOVERNANCE REPORT

**Appointment / Reappointment of Directors**

Details of the Directors seeking appointment / re-appointment at the AGM, pursuant to Clause 49 of the Listing Agreement, have been given along with the Notice of AGM.

**Code of Conduct**

Whilst the Tata Code of Conduct is applicable to the Whole-time Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's website. All the Board members and Senior Management of the Company as on 31st March, 2014 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director, forms part of this report.

**Shareholding of Non-Executive / Executive Director as on 31st March, 2014 is as under:**

Name	No. of Ordinary shares held	% of Paid-up Capital
Mr. R. Gopalakrishnan (Vice-Chairman)	15,000	0.01%
Mr. R. Mukundan (Managing Director)	500	0.00%

**3. Audit Committee**

The Committee comprises Mr. Nasser Munjee, Mr. R. Gopalakrishnan, Dr. Y. S. P. Thorat and Mr. E. A. Kshirsagar. The Company Secretary is the Secretary to the Committee.

Mr. Nasser Munjee is an eminent Economist and leading banker. All the 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.

Mr. Nasser Munjee, Chairman of the Audit Committee, was present at the last AGM held on 26th August, 2013.

**Terms of Reference**

The terms of reference of the Audit Committee, inter-alia, are:

1. Review of the Company's accounting policies, internal accounting controls, financial and risk management policies.
2. Oversight of the Company's financial reporting process and disclosure of its financial information.
3. Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board.

4. Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc. and evaluate auditors' performance, qualification and independence.
5. Recommend to the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fees and also approval for payment for audit and non-audit services.
6. Review the adequacy of internal audit and risk management function.
7. Review the adequacy of internal control systems and ensure adherence thereto.
8. Review the Company's compliance with the legal and regulatory requirements and the Tata Code of Conduct and effectiveness of the system for monitoring.
9. Review the Company's arrangements for its employees to raise concerns about possible wrongdoing in financial reporting, accounting, auditing or other related matters.
10. Review the significant related party transactions submitted by the management.
11. Discuss with the management, the Company's policies with respect to risk assessment and risk management.

Generally all items listed in Clause 49 II (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II (C).

The Managing Director, Executive Director & CFO, External Auditors, Head-Internal Audit and Risk Management and Vice President & Group Corporate 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.

During the year, the Committee reviewed the key audit findings covering operational, financial and compliance areas and the risk mitigation plans were presented to the Committee. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings.

**Meetings held**

During the FY 2013-14, 7 (seven) Audit Committee meetings were held on the following dates:

24th May, 2013	3rd February, 2014
2nd August, 2013	6th February, 2014
17th October, 2013	26th February, 2014
8th November, 2013	

### Composition and Attendance

Name of Director	No. of meetings attended
Mr. Nasser Munjee (Chairman)	7
Mr. R. Gopalakrishnan	5
Dr. Yoginder K. Alagh*	6
Dr. Y.S.P. Thorat**	1
Mr. E. A. Kshirsagar	6

\* Pursuant to his retirement as Director, Dr. Yoginder K. Alagh ceased to be a Member with effect from 14th February, 2014.

\*\* Appointed as a Member with effect from 15th February, 2014.

The gap between two Meetings did not exceed four months.

#### 4. Nomination and Remuneration Committee

##### Constitution of Nomination and Remuneration Committee

The Company had two separate Committees i.e. Nomination Committee and Remuneration Committee. Pursuant to Section 178 of the Companies Act, 2013, the Nomination Committee and Remuneration Committee were merged and renamed as "Nomination and Remuneration Committee" with effect from 15th February, 2014.

##### The composition of the Nomination and Remuneration Committee is as under:

Name of Director	Category
Mr. Nusli N. Wadia (Chairman)	Independent
Mr. Cyrus P. Mistry	Non-Independent
Mr. R. Gopalakrishnan	Non-Independent
Mr. Nasser Munjee	Independent

##### Terms of Reference

The terms of reference of the Committee, interalia, are:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- To identify independent directors to be inducted to the Board from time to time and formulate criteria for evaluation of Independent Directors and the Board.
- Taking steps to refresh the composition of the Board from time to time.
- Review market practices and decide on remuneration packages applicable to the Managing Directors/ Executive Directors.
- To decide on the remuneration to be paid to Directors taking into account the individuals performance as well as the performance of the Company.

##### Meetings held

During the FY 2013-14, 2 (two) meetings were held on 27th May, 2013 and 11th November, 2013.

##### Attendance

Name of Director	No. of meetings attended
Mr. Nusli N. Wadia (Chairman)	2
Mr. Cyrus P. Mistry	2
Mr. R. Gopalakrishnan	2
Mr. Nasser Munjee	2

##### Remuneration Policy

###### Managing Director and Executive Director

- While deciding on the remuneration of the Managing / Executive Director, the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors are considered. The Board / Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review remuneration policy.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and / or commission (variable components) to its Managing / Executive Director. Annual increments are decided in accordance with the approval of the Members and are effective from 1st April every year.

###### Non-Executive Directors

- Non-Executive Directors are paid sitting fees of ₹ 20,000 for every Meeting of the Board or the Committee attended. In case of Stakeholders Relationship Committee and Ethics and Compliance Committee, the sitting fee is ₹ 5,000 per meeting.

## CORPORATE GOVERNANCE REPORT

- c. The remuneration by way of commission to the Non-Executive Directors is decided by the Board and distributed to them based on their participation and contribution at the Board / Committee meetings and the time spent on matters other than at meetings. In terms of the approval of the members at the 74th AGM of the Company held on 26th August, 2013, 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.

**Retirement Policy for Directors**

The Company has adopted the Guidelines for retirement age wherein (i) Managing and Executive Directors retire at the age of 65 years, (ii) Executive Directors who have

been retained on Company's Board beyond the age of 65 years as Non-Executive Directors for special reasons may continue as Directors at the discretion of the Board but in no case beyond the age of 70 years, (iii) Independent Directors would retire at the age of 75 years.

The Company has also adopted the retirement policy for Managing Director and Executive Directors which has also been approved by the Members of the Company, offering special retirement benefits including pension, ex-gratia, medical and other benefits. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring Director and is payable at the discretion of the Board in each individual case.

**Details of remuneration paid for the FY 2013-14****Managing Director and Executive Director**

Director	Salary (₹)	Perquisites and Allowance (₹)	Commission (for the FY 2012-13) paid in 2013-14	Commission (for the FY 2013-14) payable in 2014-15
Mr. R. Mukundan – Managing Director	66,00,000	1,05,50,651	2,00,00,000	1,75,00,000
Mr. P. K. Ghose – Executive Director & CFO	51,60,000	49,68,197	1,70,00,000	1,60,00,000

**Non-Executive Directors**

Director	Sitting Fees (₹)	Commission (for the FY 2012-13) paid in 2013-14	Commission (for the FY 2013-2014) payable in 2014-15
Mr. Ratan N. Tata	-	47,00,000	-
Mr. Cyrus P. Mistry	2,40,000	-	-
Mr. R. Gopalakrishnan	3,40,000	40,00,000	47,00,000
Mr. Nusli N. Wadia	1,80,000	22,00,000	22,00,000
Mr. Prasad R. Menon	2,40,000	25,00,000	27,00,000
Mr. Nasser Munjee	3,40,000	37,00,000	43,00,000
Dr. Yoginder K. Alagh (Retired as a Director with effect from 14th February, 2014)	2,80,000	31,00,000	29,00,000
Mr. E. A. Kshirsagar	2,40,000	27,00,000	26,00,000
Dr. Y. S. P. Thorat	2,05,000	10,00,000	17,00,000
Dr. Vijay Kelkar	1,00,000	11,00,000	14,00,000
<b>Total</b>		<b>2,50,00,000</b>	<b>2,25,00,000</b>

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

### Service Contracts, Severance Fees and Notice Period

Terms of Agreement	Mr. R. Mukundan	Mr. P. K. Ghose
Period of Contract	5 years upto 25th November, 2018	From 26th November, 2013 upto 30th September, 2015
Severance fees / notice period	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance fees	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance fees

### 5. Stakeholders Relationship Committee

In terms of Section 178(5) of the Companies Act, 2013, the Shareholders'/Investors' Grievance Committee was renamed as Stakeholders Relationship Committee on 15th February, 2014.

#### 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.
- To resolve the grievances of the security holders of the Company.

During the FY 2013-14, 3 (three) meetings were held on 31st July, 2013, 8th November, 2013 and 24th March, 2014.

#### Composition and Attendance

Name of Director	No. of meetings attended
Dr. Yoginder K. Alagh (Chairman)*	2
Dr. Y. S. P. Thorat (Chairman)**	1
Mr. R. Mukundan	3

\* Due to his retirement as Director, Dr. Yoginder. K. Alagh ceased to be the Chairman and a Member of the Committee with effect from 14th February, 2014.

\*\* Appointed as a Chairman and a Member with effect from 15th February, 2014.

Status of Investor Complaints as on 31st March, 2014 and reported under Clause 41 of the Listing Agreement is as under:

Complaints as on 1st April, 2013	: 3
Received during the year	: 23
Resolved during the year	: 26
Pending as on 31st March, 2014	: 0

The correspondence identified as investor complaints are letters received through statutory / regulatory bodies and letters pertaining to fraudulent encashment etc.

#### Name, designation and address of Compliance Officer

Mr. Rajiv Chandan  
General Counsel & Company Secretary  
Tata Chemicals Limited  
Bombay House, 24 Homi Mody  
Street, Fort, Mumbai 400 001  
investors@tatachemicals.com

On the recommendations of the Committee, the Company has taken various investor friendly initiatives like sending reminders to investors who have not claimed their dividends, sending reminders to encourage dematerialisation of shares, etc.

### 6. Executive Committee of the Board

#### 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:

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

## CORPORATE GOVERNANCE REPORT

**Meetings held**

During the FY 2013-14, 4 (four) Executive Committee of the Board meetings were held on 31st July, 2013, 18th October, 2013, 30th October, 2013 and 11th March, 2014.

**Composition and Attendance**

Name of Director	No. of meetings attended
Mr. Cyrus P. Mistry	4
Mr. R. Gopalakrishnan	4
Mr. Nusli N. Wadia	2
Mr. Prasad R. Menon	4
Dr. Yoginder K. Alagh*	3
Dr. Y. S. P. Thorat**	-
Mr. R. Mukundan	4
Mr. P. K. Ghose	4

\* Due to his retirement, Dr. Yoginder. K. Alagh ceased to be a Member of the Committee with effect from 14th February, 2014.

\*\* Appointed as a Member with effect from 15th February, 2014.

**7. Ethics and Compliance Committee****Terms of Reference**

- To set forth policies relating to and oversee the implementation of the Tata Code of Conduct for Prevention of Insider Trading (the 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.

**Meetings Held**

During the FY 2013-14, 2 (two) meetings were held on 31st July, 2013 and 8th November, 2013.

**Composition and Attendance**

Name of Director	No. of meetings attended
Dr. Yoginder K. Alagh (Chairman)*	2
Dr. Y. S. P. Thorat (Chairman)**	-
Mr. R. Mukundan	2

\* Due to his retirement, Dr. Yoginder K. Alagh ceased to be the Chairman and a Member with effect from 14th February, 2014.

\*\* Appointed as the Chairman and a Member with effect from 15th February, 2014.

**Tata Code for Prevention of Insider Trading Practices**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violation.

**8. CSR, Safety and Sustainability Committee**

The Safety, Health, Environment and Sustainability (SHES) Committee of the Board was constituted on 27th March, 2012 to oversee the SHES policies and their implementation across Tata Chemicals group.

In terms of Section 135 of the Companies Act, 2013, the scope of the Safety, Health, Environment and Sustainability (SHES) Committee was enlarged to include Corporate Social Responsibility (CSR) and accordingly, the SHES Committee was renamed as 'CSR, Safety and Sustainability Committee' with effect from 24th March, 2014.

**Terms of Reference**

- Review and monitor the sustainability, environmental, safety and health policies and activities across the Tata Chemicals group;
- Provide guidance to management to ensure that all long-term strategic proposals made to the Board include SHES implications;
- Investigate or cause to be investigated, any extraordinary negative sustainability, environment, health and safety performance or issues of asset integrity which can impact safety, health, environment and sustainability where appropriate.
- formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act;
- recommend the amount to be spent on CSR activities;

- monitor the Company's CSR policy periodically;
- to attend to such other matters and functions as may be prescribed from time to time.

#### Meetings held

During the FY 2013-14, 4 (four) meetings were held on the following dates:

17th June, 2013                      11th February, 2014

16th October, 2013                24th March, 2014

#### Composition and Attendance

Name of Director	No. of meetings attended
Mr. Prasad R. Menon (Chairman)	4
Mr. Nasser Munjee	3
Dr. Y. S. P. Thorat	4
Mr. R. Mukundan	3

Head-Safety, Head-CSR and the General Counsel & Company Secretary are permanent invitees to the meeting of the Committee.

#### 9. Risk Management

The Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Chapter of this Annual Report. The Company has established procedures to periodically place before the Audit Committee and the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

#### 10. Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any "material non-listed Indian subsidiary" during the year under review. The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of Board Meetings of Subsidiaries of the Company are placed before the Board of the Company for its review.

#### 11. Details on General Body Meetings

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

##### Annual General Meeting (AGM)

Year	Location	Day, Date and Time
2010-11	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Tuesday 9th August, 2011 at 3.00 p.m.
2011-12	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Wednesday, 22nd August, 2012 at 3.00 p.m.
2012-13	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Monday, 26th August, 2013 at 3.00 p.m.

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

Commission to Non Whole Time Directors of the Company at its meeting held on 26th August, 2013.

#### 2. Postal Ballot

During the year under review, no resolution was put through by Postal Ballot.

#### 12. Disclosures

##### Accounting Treatment in preparation of Financial Statements

The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

##### Related Party Transactions

During the financial year 2013-14, 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 Executive Director & Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement

## CORPORATE GOVERNANCE REPORT

pertaining to CEO / CFO certification for the financial year ended 31st March, 2014.

**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.

**Mandatory Requirements**

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

**Non-Mandatory Requirements**

The Company has complied with the following non-mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance:

- Chairman of the Board – The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
- 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 Nomination and Remuneration Committee.
- The Company has also set up Executive Committee of the Board, Ethics and Compliance Committee and CSR, Safety and Sustainability Committee. The details of these Committees have been given earlier in this report.
- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
- The Company has adopted a Whistle Blower policy as mentioned above.

The Company will consider adoption of other non-mandatory requirements as and when necessary.

**13. 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 31st March, 2013 the results were published on 28th May, 2013, for first quarter ended 30th June, 2013 the results were published on 6th August, 2013, for second quarter ended 30th September, 2013 the results were published on 12th November, 2013 and for the third quarter ended 31st December, 2013 the results were published on 4th February, 2014.

The quarterly results are published in the Indian Express (English), Business Standard (English), Business Line (English), Loksatta (Marathi), Free Press Journal (English), Navshakti (Marathi).

The financial results are displayed on [www.tatachemicals.com](http://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 under "investor relations".

**Company's Website**

The Company's website is a comprehensive reference on Tata Chemicals' management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on 'Investors' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, Registrar and Share Transfer Agents, etc. The section on 'Media' includes all major press releases, awards and campaigns.

The Company has also uploaded the names of the shareholders and the details of the unclaimed dividend by the shareholders on its website. The shareholders can log in and find out whether their dividend for any of the years is outstanding. The link for the same is - [http://tatachemicals.com/investors/unclaimed\\_dividends.html](http://tatachemicals.com/investors/unclaimed_dividends.html).

**14. General Shareholder Information**

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24239MH1939PLC002893.

### Annual General Meeting

<b>Date and Time</b>	: 21st August, 2014 at 3.00 p.m.
<b>Venue</b>	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020
<b>Financial year</b>	: April to March
<b>Book Closure Date</b>	: 12th August, 2014 to 21st August, 2014 (both days inclusive for the purpose of AGM and Dividend)
<b>Dividend payment date</b>	: Between 22nd August, 2014 to 29th August, 2014
<b>Listing on Stock Exchanges</b>	: The Company's Ordinary Shares are listed on the following Stock Exchanges: <ol style="list-style-type: none"> <li>(1) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.</li> <li>(2) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.</li> </ol>
<b>Debenture Trustee</b>	: IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001. Tel: 022-4080 7000, Fax: 022-6631 1776.

The Company has paid the Annual Listing fees for the financial year 2014-2015.

### Stock Code:

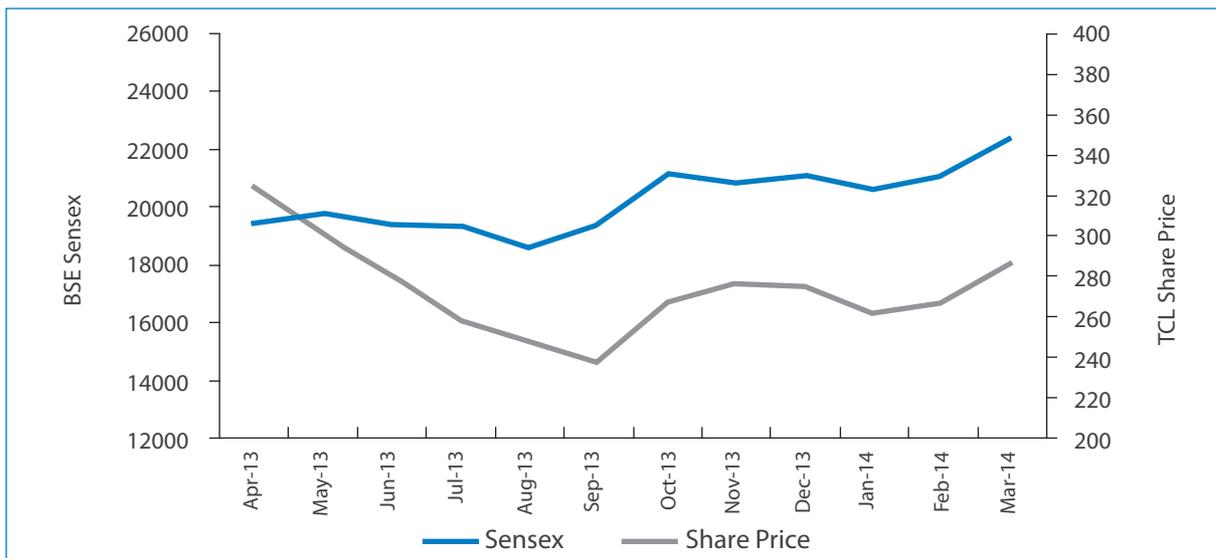
BSE Limited, (Physical Segment)	TATACHM770
BSE Limited, (Demat Segment)	500770
The National Stock Exchange of India Limited	TATACHEM EQ
International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares	INE092A01019

### Market Price Data:

Market price data - monthly high / low of BSE / NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder.

Month	BSE (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
Apr-13	329.90	306.80	329.80	305.90
May-13	333.90	298.55	333.50	298.25
Jun-13	311.90	261.00	311.70	260.25
Jul-13	293.00	242.00	292.75	256.20
Aug-13	271.00	238.10	272.00	238.00
Sep-13	255.00	234.50	255.00	233.20
Oct-13	269.85	236.40	270.00	236.05
Nov-13	285.70	261.00	285.60	259.75
Dec-13	281.20	257.85	280.65	257.00
Jan-14	279.00	244.80	279.50	244.20
Feb-14	274.90	252.00	274.50	251.10
Mar-14	301.75	264.30	301.90	264.40

## CORPORATE GOVERNANCE REPORT

**Graphical Representation of Performance of Tata Chemicals Limited's Share Price (average of closing price of BSE and NSE) in comparison with BSE Sensex.****Registrar and Share Transfer Agents**

Members are requested to correspond with the Company's Registrar & Share Transfer Agents-  
TSR Darashaw Private Limited quoting their folio no. / DP ID & Client ID at the following addresses:-

- (i) For transfer lodgement, delivery and correspondence:

TSR Darashaw Private Limited  
Unit : **Tata Chemicals Limited**  
6-10 Haji Moosa Patrawala Industrial Estate  
20 Dr. E Moses Road, Near Famous Studio  
Mahalaxmi Mumbai – 400 011.

Tel: 022-6656 8484  
Fax: 022- 6656 8494  
e-mail : [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

- (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 Private Limited (TSRDPL):-

- 1. TSR Darashaw Private Limited**  
503, Barton Centre, 5th Floor  
84, Mahatma Gandhi Road  
Bangalore - 560 001  
Tel : 080- 25320321,  
Fax : 080-25580019  
e-mail : [tsrdlbbang@tsrdarashaw.com](mailto:tsrdlbbang@tsrdarashaw.com)
- 2. TSR Darashaw Private Limited**  
Bungalow No.1, "E" Road  
Northern Town, Bistupur  
Jamshedpur – 831 001  
Tel: 0657 – 2426616,  
Fax: 0657 – 2426937  
e-mail : [tsrdljsr@tsrdarashaw.com](mailto:tsrdljsr@tsrdarashaw.com)
- 3. TSR Darashaw Private Limited**  
Tata Centre, 1st Floor,  
43, Jawaharlal Nehru Road  
Kolkata – 700 071  
Tel : 033 – 22883087,  
Fax : 033 – 22883062  
e-mail : [tsrdlcal@tsrdarashaw.com](mailto:tsrdlcal@tsrdarashaw.com)
- 4. TSR Darashaw Private 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](mailto:tsrdldel@tsrdarashaw.com)
- 5. Agent of TSR Darashaw Private Limited**  
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](mailto:shahconsultancy8154@gmail.com)

### Share Transfer Process

Shares in physical forms are processed by the Registrar and Share Transfer Agent within 15-20 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Executive Director & Chief Financial Officer, General Counsel & Company Secretary, DGM-Secretarial and Legal and Sr. Manager- Secretarial have been severally empowered to approve transfers.

### Distribution of Shareholding as on 31st March, 2014

Sr. No.	Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1	1 to 500	1,97,10,836	19,71,08,360	7.74	1,75,882	89.47
2	501 to 1000	82,81,578	8,28,15,780	3.25	11,080	5.64
3	1001 to 2000	78,27,149	7,82,71,490	3.07	5,457	2.78
4	2001 to 3000	42,03,135	4,20,31,350	1.65	1,696	0.86
5	3001 to 4000	26,35,030	2,63,50,300	1.03	745	0.38
6	4001 to 5000	21,12,463	2,11,24,630	0.83	461	0.23
7	5001 to 10000	54,46,937	5,44,69,370	2.14	774	0.39
8	Above 10000	20,45,39,150	2,04,53,91,500	80.29	490	0.25
	<b>TOTAL</b>	<b>25,47,56,278</b>	<b>2,54,75,62,780</b>	<b>100</b>	<b>1,96,585</b>	<b>100</b>

### Category of shareholding as on 31st March, 2014

Category	No. of Shares	Percentage
Tata Companies & Trusts	79,125,857	31.06
Resident Individuals	52,043,898	20.43
Foreign Holdings	57,662,178	22.63
Public Financial Institutions	44,943,669	17.64
Government / Government Companies	73,598	0.03
Other Companies, Mutual Funds	20,377,394	8.00
Nationalised Banks	529,684	0.21
<b>TOTAL</b>	<b>254,756,278</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

Percentage of Shares held in Physical form	:	3.34
Electronic form with NSDL	:	93.47
Electronic form with CDSL	:	3.19

**CORPORATE GOVERNANCE REPORT**

---

The Company's Ordinary shares are regularly traded on the BSE 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 Babrala 202 521, Dist. Badaun, Uttar Pradesh
Haldia Works	: P. O. Durgachak, Haldia, Dist. East Midnapore, West Bengal - 721 602
Chennai Works	: 317/2B, 317/2 C1, 317/2 C2, Vayalur Road, Kiloy Village, Sriperumbathur Taluk, Kancheepuram, Dist. - 602 105

**Overseas Locations :**

USA – Chemical Soda Ash	: Tata Chemicals North America Inc., Green River Basin, Wyoming
UK – Chemicals	: Tata Chemicals Europe Limited, (i) Northwich East (Lostock) (ii) Northwich West (iii) Middlewich
Kenya – Chemicals	: Tata Chemicals Magadi Limited, Lake Magadi, Kenya

**Address for correspondence**

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

---

## DECLARATION

I, R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(l)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended 31st March, 2014.

For Tata Chemicals Limited

**R. Mukundan**

Managing Director

Mumbai, 30th May, 2014

---

## 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, 2014, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

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

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

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

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

**Sanjiv V. Pilgaonkar**

(Partner)

(Membership No. 039826)

**MUMBAI**, 30th May, 2014

## BUSINESS RESPONSIBILITY REPORT - SUMMARY

The Ministry of Corporate Affairs (MCA) came out with the 'National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business'. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices and a structured business responsibility reporting format requiring certain specified disclosures, demonstrating the steps taken by companies to implement the said principles.

In line with the above Guidelines and considering the larger interest of public disclosure regarding steps taken by listed entities from an Environmental, Social and Governance (ESG), Securities and Exchange Board of India has mandated top 100 listed companies based on the market capitalisation as on 31st March, 2012 for inclusion of Business Responsibility Reports (BRR) as part of the Annual Reports.

Although the inclusion of BRR is not mandatory for the Company, as a responsible corporate citizen, it has decided to voluntarily prepare the same.

NVGs released by the MCA has adopted nine areas of Business Responsibility. These briefly are as under:

<b>P1</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
<b>P2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
<b>P3</b>	Businesses should promote the well-being of all employees.
<b>P4</b>	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
<b>P5</b>	Businesses should respect and promote human rights.
<b>P6</b>	Businesses should respect, protect, and make efforts to restore the environment.
<b>P7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
<b>P8</b>	Businesses should support inclusive growth and equitable development.
<b>P9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### Principle-wise adherence to BR Policy / policies (Reply in Y or N):

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for ....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If Yes, Specify (50 words)*	Y (UN Global Compact-GRI)	Y (RC/ ISO 14001)	Y (OHSAS - 18001)	Y (UN Global Compact-GRI)	Y (SA-8000)	Y (ISO-14001)	Y (Tata Code of Conduct conforms to NVG)	Y (UN Global Compact-GRI)	Y (Responsible Care)
4	Has the policy been approved by the Board?	Y	Y	-	-	Y	-	Y	-	Y
	If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.tatachemicals.com/Sustainability/sustainability_report.htm">http://www.tatachemicals.com/Sustainability/sustainability_report.htm</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance Redressal mechanism related to the policy / policies to address stakeholders'grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* Note – Our Policies are linked to the following National / International Standards:- RC 14001, OHSAS – 18001, GRI, SA-8000, ISO-9001, ISO-14001 and UNGC.

The full version of BRR can be viewed on the Company's website [www.tatachemicals.com](http://www.tatachemicals.com).

## INDEPENDENT AUDITORS' REPORT

### To The Members of TATA CHEMICALS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of TATA CHEMICALS LIMITED (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)

**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 039826)

MUMBAI, 30th May, 2014

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (x), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (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 of 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, having regard to the nature of the inventory the procedures of physical verification of inventories followed by the Management including obtaining of direct confirmations from third parties for inventories held by them are 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, the Company has not accepted any deposit from the public during the year.
- (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 cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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 statutory 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 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 in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Custom Duty, Service Tax, Excise Duty and Entry Tax which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in crore)
Central Sales Tax, 1956 and Sales Tax Act of Various states	Sales Tax (Central and State) and Value Added Tax	Tribunal	1991-92, 1999-2000, 2002-03, 2004-05 and 2007-08.	0.31
		Appellate Authority upto Commissioner's level	1991 to 2011	10.79
Customs Act, 1962	Custom Duty	Appellate Authority upto Commissioner's level	1987-88, 1992-93, 2001-02 and 2011-12	0.32
Central Excise Act, 1944	Excise Duty	Supreme Court	1974-1980 and 1981-1985	0.28
		Tribunal	1985-88, 1996-97 and 2005-08	1.06
		Appellate Authority upto Commissioner's level	2004-05, 2005-06, 2007-08	0.65
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner's level	2013-14	0.49
Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's level	2003-04 and 2002-03	11.12
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	High Court	2012-13 and 2013-14	27.75
Total				52.77

- (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, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)

**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 039826)

MUMBAI, 30th May, 2014

## BALANCE SHEET as at 31st March, 2014

	Note	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	3	254.82		254.82
(b) Reserves and Surplus	4	5,446.41		5,052.50
			<b>5,701.23</b>	5,307.32
<b>2. Non-current Liabilities</b>				
(a) Long-Term Borrowings	5	1,735.51		1,073.00
(b) Deferred Tax Liabilities (net)	6	215.61		124.75
(c) Other Long-Term Liabilities	7	3.60		6.07
(d) Long-Term Provisions	8	78.57		74.81
			<b>2,033.29</b>	1,278.63
<b>3. Current Liabilities</b>				
(a) Short-Term Borrowings	9	1,299.18		1,384.14
(b) Trade Payables	10	1,373.00		1,255.83
(c) Other Current Liabilities	11	388.04		1,532.85
(d) Short-Term Provisions	12	338.77		340.24
			<b>3,398.99</b>	4,513.06
<b>TOTAL</b>			<b>11,133.51</b>	11,099.01
<b>II. ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Fixed Assets				
(i) Tangible Assets	13	1,872.06		1,911.67
(ii) Capital Work-in-Progress	13	158.62		137.30
(b) Non-Current Investments	14	4,257.64		3,962.08
(c) Long-Term Loans and Advances	15	332.32		265.02
(d) Other Non-Current Assets	16	16.14		2.78
			<b>6,636.78</b>	6,278.85
<b>2. Current Assets</b>				
(a) Current Investments	17	0.25		0.25
(b) Inventories	18	810.56		927.47
(c) Trade Receivables	19	2,401.78		2,484.88
(d) Cash and Bank Balance	20	976.85		1,091.98
(e) Short-Term Loans and Advances	21	246.99		295.76
(f) Other Current Assets	22	60.30		19.82
			<b>4,496.73</b>	4,820.16
<b>TOTAL</b>			<b>11,133.51</b>	11,099.01
Notes forming part of Financial Statements	1 - 28			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsSanjiv V. Pilgaonkar  
Partner  
Mumbai, 30th May, 2014Rajiv Chandan  
General Counsel & Company Secretary

For and on behalf of the Board

Cyrus P. Mistry  
Chairman  
Nusli N. Wadia  
Director  
Nasser Munjee  
Director  
Dr. Y. S. P. Thorat  
Director  
R. Mukundan  
Managing DirectorR. Gopalakrishnan  
Vice-Chairman  
Eknath A. Kshirsagar  
Director  
Dr. Vijay Kelkar  
Director  
P. K. Ghose  
Executive Director & CFO

## STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

	Note	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>I. REVENUE</b>				
(a) Revenue from Operations (gross)	23	<b>8,926.23</b>		8,608.52
(b) Less: Excise Duty		<b>236.59</b>		226.46
(c) Net Revenue From Operations			<b>8,689.64</b>	8,382.06
<b>II. Other Income</b>	24		<b>202.92</b>	365.60
<b>III. Total Revenue (I+II)</b>			<b>8,892.56</b>	8,747.66
<b>IV. EXPENSES</b>				
(a) Cost of Materials Consumed		<b>3,194.24</b>		2,988.79
(b) Purchases of Stock-in-Trade		<b>1,614.10</b>		1,404.39
(c) Changes in Inventories of Work-In-Progress, Finished Goods and Stock-in-Trade		<b>130.19</b>		273.78
(d) Employee Benefits Expense	25	<b>267.05</b>		273.56
(e) Finance Costs (net)	26	<b>185.32</b>		203.25
(f) Depreciation and Amortisation Expense	13	<b>158.82</b>		214.29
(g) Other Expenses	27	<b>2,556.19</b>		2,395.17
<b>Total Expenses</b>			<b>8,105.91</b>	7,753.23
<b>V. Profit Before Exceptional Items and Tax (III-IV)</b>			<b>786.65</b>	994.43
<b>VI. Exceptional Items</b>				
(a) Compensation on Voluntary Retirement		-		0.09
(b) Loss on Sale/Provision for Diminution in the Value of Long-Term Investments		-		1.72
(c) Impairment of Assets	13	<b>59.30</b>		-
(d) Exchange Loss (net) on Foreign Currency Long-Term Borrowings including Revaluation thereof		<b>158.47</b>		167.25
			<b>217.77</b>	169.06
<b>VII. Profit Before Tax (V- VI)</b>			<b>568.88</b>	825.37
<b>VIII. Tax Expense</b>				
(a) Current Tax expense for current year		<b>151.00</b>		157.00
(b) (Less): Current Tax expense relating to prior years		<b>(80.81)</b>		-
(c) Net Current Tax expense		<b>70.19</b>		157.00
(d) Deferred Tax		<b>62.62</b>		25.05
			<b>132.81</b>	182.05
<b>IX. Profit For the Year (VII-VIII)</b>			<b>436.07</b>	643.32
<b>X. EARNINGS PER SHARE (₹)</b>	28(i)			
(Face value per share - ₹ 10)				
(a) Basic			<b>17.12</b>	25.25
(b) Diluted			<b>17.12</b>	25.25
Notes forming part of Financial Statements	1 - 28			

In terms of our report attached

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

**Sanjiv V. Pilgaonkar**  
Partner  
Mumbai, 30th May, 2014

**Rajiv Chandan**  
General Counsel & Company Secretary

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman  
**Nusli N. Wadia**  
Director  
**Nasser Munjee**  
Director  
**Dr. Y. S. P. Thorat**  
Director  
**R. Mukundan**  
Managing Director

**R. Gopalakrishnan**  
Vice-Chairman  
**Eknath A. Kshirsagar**  
Director  
**Dr. Vijay Kelkar**  
Director  
**P. K. Ghose**  
Executive Director & CFO

## CASH FLOW STATEMENT for the year ended 31st March, 2014

	₹ in crore	Previous year ₹ in crore
<b>A Cash Flow from Operating Activities</b>		
Profit before tax	568.88	825.37
Adjustments for:		
Depreciation and amortisation	158.82	214.29
Impairment of assets	59.30	-
Finance costs	185.32	203.25
Interest income	(59.96)	(11.48)
Dividend income	(126.44)	(99.38)
Net (gain) / loss on sale of current investments	(0.03)	(0.02)
Foreign exchange gain realised on redemption of non-current investments	-	(245.14)
Provision for doubtful debts and advances	3.15	2.62
Provision for employee benefits	0.95	16.29
Loss on sale / provision for diminution in the value of non-current investments	-	1.72
Unrealised foreign exchange loss (net)	198.16	301.99
Loss on assets sold, discarded or write off (net)	2.79	12.13
<b>Operating Profit before Working Capital Changes</b>	<b>990.94</b>	1,221.64
Adjustments for:		
Trade and other receivables	268.18	(1,123.03)
Inventories	116.91	325.75
Trade payables, other liabilities and provisions	194.53	(483.36)
<b>Cash generated from Operations</b>	<b>1,570.56</b>	(59.00)
Taxes paid (net of refund)	(129.20)	(240.41)
<b>Net Cash generated / (used) in from Operating Activities</b>	<b>1,441.36</b>	(299.41)
<b>B Cash Flow from Investing Activities</b>		
Acquisition of fixed assets (including capital work-in-progress)	(202.67)	(218.20)
Proceeds on sale of fixed assets	0.38	29.45
Proceeds on sale of investments in subsidiaries	-	1,062.99
Proceeds on sale of non-current investments	-	20.00
Proceeds on sale of current investments	10,329.03	9,552.78
Purchase of non-current investments	(0.50)	(2.89)
Purchase of current investments	(10,329.00)	(9,552.76)
Investment in subsidiaries	(94.06)	(168.67)
Investment in joint venture	-	(0.25)
Consideration received on disposal of investment in joint venture	-	0.05
Advance towards preference / equity commitment	(11.80)	(6.51)
Loans given	-	(7.61)
Interest received	59.03	11.48
Dividend received	112.81	99.38
<b>Net Cash (used) in / generated from Investing Activities</b>	<b>(136.78)</b>	819.24

## CASH FLOW STATEMENT for the year ended 31st March, 2014 (Contd.)

	₹ in crore	Previous year ₹ in crore
<b>C Cash Flow from Financing Activities</b>		
Repayment of borrowings	(4,268.06)	(3,070.47)
Proceeds of borrowings	3,389.46	3,251.59
Settlement of currency swap contracts	(52.43)	0.67
Finance costs paid	(193.59)	(209.50)
Dividends paid including distribution tax	(294.42)	(294.47)
<b>Net Cash used in Financing Activities</b>	<b>(1,419.04)</b>	<b>(322.18)</b>
Net Increase in cash and cash equivalents	(114.46)	197.65
Cash and cash equivalents as at 1st April (opening balance)	1,079.55	881.90
Cash and cash equivalents	965.09	1,079.55
Add: Earmarked balances	11.76	12.43
Cash and bank balance as at 31st March (note 20) (closing balance)	<b>976.85</b>	1,091.98

Note:

- (a) 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 LLP**  
Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner  
Mumbai, 30th May, 2014

**Rajiv Chandan**  
General Counsel & Company Secretary

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman  
**Nusli N. Wadia**  
Director  
**Nasser Munjee**  
Director  
**Dr. Y. S. P. Thorat**  
Director  
**R. Mukundan**  
Managing Director

**R. Gopalakrishnan**  
Vice-Chairman  
**Eknath A. Kshirsagar**  
Director  
**Dr. Vijay Kelkar**  
Director  
**P. K. Ghose**  
Executive Director & CFO

## NOTES forming part of the Financial Statements

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES:****(a) Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable u/s 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of Financial Statements are consistent with those of the previous year.

**(b) Use of Estimates**

The presentation of the financial statements in conformity with Indian GAAP 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. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

**(c) Tangible Fixed Assets**

Fixed Assets are carried at original cost net of taxes / duties, credits availed, if any, less depreciation, amortisation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying 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. Subsequent expenditure relating to the fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

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

Fixed Assets held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the financial statements.

**(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) Depreciation and Amortisation**

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

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 which case the life of the assets has been assessed as under:

Membrane Cells	4 years
Catalyst	5-7 years
Motor Car	4 years
Computers and data processing equipment	4 years
High Pressure Boiler 4 & Turbine 12	8 years
RO Water Plant	4 years
Railway wagons 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.

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

## NOTES forming part of the Financial Statements (contd.)

### (f) Impairment of Tangible Fixed 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 in the Statement of Profit and Loss.

### (g) Investments

Long-term investments are carried individually 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. Cost of investments includes acquisition charges such as brokerage, fees and duties.

### (h) 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. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### (i) Revenue Recognition

#### Sales of Goods

Sales are recognised, net of returns including estimated returns where applicable, and trade discounts, Sales Tax and Value Added Tax, on dispatch of goods to customers. 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, sales include price concession, as notified under the Concession Scheme, or as estimated by the Management based on the norms prescribed.

#### Income from Services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

### (j) Other Income

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

### (k) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### (l) Research and Development Expenses

Revenue expenditure pertaining to research and development is charged to the Statement of Profit and Loss. Expenditure on tangible fixed assets used in research and development is capitalised.

### (m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### (n) 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.

### (o) 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.

#### (i) Post-employment benefit plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due.

**NOTES** forming part of the Financial Statements (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 Statement of Profit and Loss 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, in substance a defined contribution 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.

Other defined benefit scheme like 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 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 and 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 the cost of providing benefits is determined using the projected unit credit method by 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 render 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.

**(p) Employee Separation Compensation**

- (i) Compensation payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected. The liability has been calculated on the basis of net present value of the future payments of pension.
- (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 statement of Profit and Loss in the year of separation.

**(q) Finance 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 Statement of Profit and Loss, over the tenure of the loan. Interest on borrowed money, allocated

## NOTES forming part of the Financial Statements (contd.)

to and utilised for qualifying fixed assets, pertaining to the period upto the date of capitalisation is added to the cost of the assets.

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

### (r) Foreign Currency Transactions and Translation

(i) Foreign currency transactions (other than derivatives) of the Company and its net investment in non-integral foreign operations are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities (other than derivatives) of the company and its net investment in non-integral foreign operations as at the Balance Sheet date are restated at the year end rates and the resultant net gains or losses are recognised as income or expense in the Statement of Profit and Loss 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.

During the year ended 31st March, 2012, the Company had exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items have been recognised over the shorter of the loan repayment period and 31st March, 2020. 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, related to monetary items which are not intended for trading or speculation purposes, are amortised over the period of the contract.

### (s) 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. Derivative contracts which are closely linked to the underlying transactions are recognised in accordance with the contract terms and accounted as per the policy stated for foreign currency transaction and translation. All other contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

### (t) Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of the depreciable assets by way of a reduced depreciation charge. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

### (u) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. 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".

### (v) 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.

**NOTES** forming part of the Financial Statements (contd.)

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.

**(w) 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 forming part of the financial statements.

**NOTE 2 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## NOTES forming part of the Financial Statements (contd.)

			As at 31-Mar-2013	
			Number of shares	₹ in crore
<b>NOTE 3</b>	<b>SHARE CAPITAL</b>			
<b>1. Authorised:</b>				
	Ordinary shares of ₹ 10 each	<b>27,00,00,000</b>	27,00,00,000	270.00
<b>2. Issued:</b>				
	Ordinary shares of ₹ 10 each	<b>25,48,42,598</b>	25,48,42,598	254.84
<b>3. Subscribed and fully paid up:</b>				
	Ordinary shares of ₹ 10 each	<b>25,47,56,278</b>	25,47,56,278	254.76
<b>4. Forfeited shares:</b>				
	Amount originally paid-up on forfeited shares	<b>86,320</b>	86,320	0.06
		<b>254.82</b>		254.82

### Footnotes:

- (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

			As at 31-Mar-2013	
			Number of shares	₹ in crore
<b>Issued share capital:</b>				
Ordinary shares:				
	At the beginning of the year	<b>25,48,42,598</b>	25,48,42,598	254.84
	<b>Outstanding at the end of the year</b>	<b>25,48,42,598</b>	25,48,42,598	254.84
<b>Subscribed and fully paid up:</b>				
Ordinary shares:				
	At the beginning of the year	<b>25,47,56,278</b>	25,47,56,278	254.76
	<b>Outstanding at the end of the year</b>	<b>25,47,56,278</b>	25,47,56,278	254.76

- (b) The Company has issued one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

- (c) Details of shares held by each shareholder holding more than 5 % of shares:

		Number of shares	%	Number of shares	%
Ordinary shares with voting rights					
(i)	Tata Sons Ltd.	<b>4,93,06,423</b>	<b>19.35</b>	4,93,06,423	19.35
(ii)	Tata Investment Corporation Ltd.	<b>1,57,53,501</b>	<b>6.18</b>	1,57,53,501	6.18
(iii)	Life Insurance Corporation of India.	<b>1,61,51,552</b>	<b>6.34</b>	1,56,76,405	6.15

**NOTES** forming part of the Financial Statements (contd.)

- (d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and pursuant to schemes of amalgamation\*:

	Number of shares	Number of shares
Ordinary shares with voting rights		
(i) Scheme of amalgamation		
(a) Hind Lever Chemicals Limited	3,44,64,000	3,44,64,000
(b) Tata Fertilisers Ltd	42,49,864	42,49,864
(ii) Contract without payment being received in cash	37,000	37,000
(iii) Bonus Shares by way of capitalisation of		
(a) Securities premium account	9,29,70,000	9,29,70,000
(b) General reserve	1,24,32,144	1,24,32,144

\*No such shares have been issued during previous five years.

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 4</b>	<b>RESERVES AND SURPLUS</b>		
<b>1. Capital reserve:</b>			
Balance as per last account		0.66	0.66
<b>2. Capital redemption reserve:</b>			
Balance as per last account		0.10	0.10
<b>3. Securities premium:</b>			
Balance as per last account		1,258.21	1,258.21
<b>4. Debenture redemption reserve:</b>			
Balance as per last account		240.00	240.00
<b>5. Foreign currency translation reserve (FCTR):</b>			
(a) Balance as per last account	-		-
(b) Add: On account of merger of Homefield with TCL (note 28(xx))	63.07		-
		63.07	-
<b>6. Foreign currency monetary item translation difference account (net of taxes):</b> (footnote 'a' below)			
(a) Balance as per last account	(58.77)		(81.72)
(b) Add: Effect of foreign exchange rate variation during the year	-		(90.03)
(c) Less: Charge off / amortisation for the year	58.77		112.98
		-	(58.77)
<b>7. Surplus on amalgamation:</b>			
Balance as per last account		20.45	20.45
<b>8. General reserve:</b>			
(a) Balance as per last account	1,128.33		1,064.00
(b) Add: Transfer from statement of profit and loss	43.61		64.33
		1,171.94	1,128.33

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>9. Surplus in statement of profit and loss:</b>			
Balance as per last account	2,463.52		2,178.99
Add: Profit for the year	436.07		643.32
Add: On account of merger of Homefield with TCL (note 28(xx))	131.74		-
Less:			
(a) Dividends proposed to be distributed to equity shareholders (₹ 10 per share)	254.76		254.76
(b) Tax on dividend	40.98		39.70
(c) Transfer to general reserve	43.61		64.33
		<b>2,691.98</b>	2,463.52
		<b>5,446.41</b>	5,052.50

### Footnote:

- (a) The External Commercial Borrowing (ECB) of USD 190 million has been repaid during the year ended 31st March, 2014. Consequent to which, the unamortised "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) has been charged off during the year. The charge to the Statement of Profit and Loss is classified as "Exceptional Item".

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 5 LONG-TERM BORROWINGS</b>			
<b>1. Debentures:</b>			
(a) Unsecured (footnote 'a' below)	250.00		250.00
		<b>250.00</b>	250.00
<b>2. Other loans and advances:</b>			
(a) Unsecured from banks			
External commercial borrowing (footnote 'b' below)	1,485.43		822.92
(b) Unsecured from others (footnote 'c' below)	0.08		0.08
		<b>1,485.51</b>	823.00
		<b>1,735.51</b>	1,073.00

### Footnotes:

- (a) 10% Unsecured Redeemable Non-convertible Debentures of a face value ₹ 10 lakh each redeemable at par on 2nd July, 2019.
- (b) The external commercial borrowing is due for repayments on 21st October, 2016 ₹ 315.66 crore (USD 60 million), on 23rd October, 2017 ₹ 389.78 crore (USD 63.27 million), on 22nd October, 2018 ₹ 390.06 crore (USD 63.27 million) and on 21st October, 2019 ₹ 389.93 crore (USD 63.46 million).
- (c) The Company has entered into an agreement with Department of Biotechnology (DBT) for a project on boosting crop health and yield. DBT has approved a loan of ₹ 0.15 crore (previous year ₹ 0.15 crore). The Company has received two instalments of this loan aggregating to ₹ 0.08 crore (previous year ₹ 0.08 crore). The loan is repayable in 10 equal half yearly instalments beginning from 1st July, 2015.

## NOTES forming part of the Financial Statements (contd.)

				As at 31-Mar-2013
		₹ in crore	₹ in crore	₹ in crore
<b>NOTE 6</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>			
The significant component and classification of deferred tax assets and liabilities on account of timing differences are:				
<b>1.</b>	<b>Deferred tax assets:</b>			
(a)	Provision for doubtful debts and advances	7.18		8.48
(b)	Provision for employee benefits	1.17		12.18
(c)	Exchange differences	-		137.11
(d)	Other timing differences	57.43		5.54
			65.78	163.31
<b>2.</b>	<b>Deferred tax liability:</b>			
(a)	Depreciation (including impairment)	281.39		287.58
(b)	Borrowing costs	-		0.03
(c)	Other timing differences	-		0.45
			281.39	288.06
	Net Deferred Tax Liability		215.61	124.75

**Footnote:**

- (a) Deferred tax asset of ₹ Nil (previous year ₹ 28.24 crore) has been adjusted on, exchange gain/loss on long-term foreign currency monetary asset/liability have been offset against " Foreign Currency Monetary Item Translation Difference Account".

				As at 31-Mar-2013
		₹ in crore	₹ in crore	₹ in crore
<b>NOTE 7</b>	<b>OTHER LONG-TERM LIABILITIES</b>			
<b>1.</b>	<b>Other liabilities:</b>			
(a)	Pension payable on employee separation scheme	0.54		0.61
(b)	Creditors for capital goods	0.62		1.88
(c)	Other payables	2.44		3.58
			3.60	6.07
			3.60	6.07
				As at 31-Mar-2013
		₹ in crore	₹ in crore	₹ in crore

				As at 31-Mar-2013
		₹ in crore	₹ in crore	₹ in crore
<b>NOTE 8</b>	<b>LONG-TERM PROVISIONS</b>			
<b>1.</b>	<b>Provision for employee benefits:</b>			
(a)	Provision for post retirement medical benefit	27.58		22.86
(b)	Provision for long service award	3.22		3.24
(c)	Provision for directors' pension liabilities	21.89		21.98
(d)	Provision for family benefit scheme	13.31		14.16
			66.00	62.24
<b>2.</b>	Provision for site restoration expenditure (note 28(vi))		12.57	12.57
			78.57	74.81

## NOTES forming part of the Financial Statements (contd.)

		As at 31-Mar-2013
		₹ in crore
<b>NOTE 9</b>	<b>SHORT-TERM BORROWINGS</b>	
<b>1. Loans repayable on demand:</b>		
(a) Secured		
From Banks:		
(i) Cash credits (footnote 'a' below)	9.09	8.41
(ii) Loans against subsidy receivables (footnote 'b' below)	326.10	179.63
(b) Unsecured		
From Banks: Buyer's credit	963.99	1,196.10
	<b>1,299.18</b>	<b>1,384.14</b>

### Footnotes:

- (a) Loans from banks on cash credit are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.
- (b) The Department of Fertilizers, Government of India, has notified "Special Banking Arrangement" scheme to address the concern of delay in subsidy disbursement. This arrangement has been made by the Government with State Bank of India Consortium (SBI Consortium). Loans under this scheme are secured by hypothecation of subsidy receivables.

		As at 31-Mar-2013
		₹ in crore
<b>NOTE 10</b>	<b>TRADE PAYABLES</b>	
1.	Acceptances (supplier's credit)	671.30
2.	Trade payables other than acceptances (including total dues of micro, small and medium enterprises)	648.07
3.	Other payables	53.63
		<b>1,373.00</b>

### Footnote:

- (a) According to information available with the Management and relied upon by the auditors, 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, 2014 as follows:

		As at 31-Mar-2013
		₹ in crore
1.	(a) Principal amount remaining unpaid to any supplier as on 31st March, 2014	0.38
	(b) Interest on 1(a) above	-
2.	(a) The amount of principal paid beyond the appointed date	0.34
	(b) The amount of interest paid beyond the appointed date	*
3.	Amount of interest due and payable on delayed payments	*
4.	Amount of interest accrued and due as at 31st March, 2014	*
5.	Total outstanding dues of micro enterprises and small enterprises	0.38

\* Value below ₹ 50,000

## NOTES forming part of the Financial Statements (contd.)

				As at 31-Mar-2013
		₹ in crore	₹ in crore	₹ in crore
<b>NOTE 11</b>	<b>OTHER CURRENT LIABILITIES</b>			
<b>1.</b>	<b>Current maturities of long-term debts:</b>			
(a)	Debentures			
	Secured	-		240.00
(b)	Other loans and advances			
	Unsecured			
	External Commercial Borrowings	-		1,019.26
			-	1,259.26
<b>2.</b>	Interest accrued but not due on borrowings		<b>51.36</b>	44.37
<b>3.</b>	<b>Liability towards Investor protection fund:</b>			
(a)	Unclaimed dividends	<b>11.66</b>		10.84
(b)	Unclaimed debentures and interest	<b>0.01</b>		0.01
			<b>11.67</b>	10.85
<b>4.</b>	Deposits		<b>49.47</b>	47.12
<b>5.</b>	<b>Other payables:</b>			
(a)	Advances received from customers	<b>23.34</b>		15.75
(b)	Creditors for capital goods	<b>24.93</b>		28.08
(c)	Creditors for statutory dues	<b>60.08</b>		38.72
(d)	Other liabilities (footnote 'a' below)	<b>167.19</b>		88.70
			<b>275.54</b>	171.25
			<b>388.04</b>	1,532.85

**Footnote:**

- (a) The Company had entered into an agreement with Department of Science and Technology for creation of capital assets for Sulphate of Potash (SOP) Project. For the above Project, the Company has received three instalments of Government Grant aggregating ₹ 14.40 crore and earned an amount of ₹ 0.54 crore (previous year ₹ 0.49 crore) as interest on unutilised grant. The Company has spent an amount of ₹ 14.85 crore and the net balance of ₹ 0.09 crore (previous year net balance ₹ 1.64 crore).

				As at 31-Mar-2013
		₹ in crore	₹ in crore	₹ in crore
<b>NOTE 12</b>	<b>SHORT-TERM PROVISIONS</b>			
<b>1.</b>	<b>Provision for employee benefits:</b>			
(a)	Provision for compensated absences	<b>39.39</b>		42.50
(b)	Provision for post retirement medical benefit	<b>0.94</b>		0.74
(c)	Provision for long service award	<b>0.54</b>		0.50
(d)	Provision for directors' pension liabilities	<b>1.08</b>		1.07
(e)	Provision for family benefit scheme	<b>0.96</b>		0.91
			<b>42.91</b>	45.72
<b>2.</b>	<b>Others:</b>			
(a)	Proposed dividend	<b>254.76</b>		254.76
(b)	Tax on dividend	<b>40.98</b>		39.66
(c)	Others (note 28(vi))	<b>0.12</b>		0.10
			<b>295.86</b>	294.52
			<b>338.77</b>	340.24



NOTES forming part of the Financial Statements (contd.)

**NOTE 14 NON-CURRENT INVESTMENTS**

	Face Value	Holdings As at 31-Mar-14	As at 31st March, 2014			Holdings As at 31-Mar-13	As at 31st March, 2013			
			Quoted	Unquoted	Total		Quoted	Unquoted	Total	
	₹		₹ in crore	₹ in crore	₹ in crore		₹ in crore	₹ in crore	₹ in crore	
<b>Investments (At cost):</b>										
<b>A Trade</b>										
<b>Investments in equity instruments (fully paid up):</b>										
<b>i) Investment in Subsidiary Companies:</b>										
<b>Fully paid Ordinary Equity Shares:</b>										
Rallis India Ltd.	₹	1	9,73,41,610	479.97	-	479.97	9,73,41,610	479.97	-	479.97
Homefield International Pvt. Ltd., Mauritius*	MUR	1	-	-	-	-	9,00,16,001	-	408.76	408.76
Bio Energy Ventures -1 (Mauritius) Pvt Ltd.	USD	1	57,48,81,426	-	2,395.26	2,395.26	57,38,81,426	-	2,389.42	2,389.42
<b>ii) Investment in Joint Venture Companies:</b>										
Indo Maroc Phosphore, S.A., Morocco	MAD	1000	2,06,666	-	166.26	166.26	2,06,666	-	166.26	166.26
<b>Investments in Redeemable Preference shares</b>										
<b>i) Investment in Subsidiary Companies:</b>										
5% Non-Cumulative Redeemable Preference Shares of HIPL*	USD	100	-	-	-	-	62,844	-	34.02	34.02
5% Non-Cumulative Redeemable Preference Shares of Bio Energy Venture -1(Mauritius) Pvt. Ltd	USD	100	15,16,214	-	832.21	832.21	1,85,000	-	100.21	100.21
<b>Total - Trade (A)</b>			<b>479.97</b>	<b>3,393.73</b>	<b>3,873.70</b>		<b>479.97</b>	<b>3,098.67</b>	<b>3,578.64</b>	
<b>B Other Investments:</b>										
<b>Investments in equity instruments (fully paid up)</b>										
<b>i) Investment in other companies:</b>										
The Indian Hotels Co. Ltd.	₹	1	72,71,666	9.82	-	9.82	72,71,666	9.82	-	9.82
Oriental Hotels Ltd.	₹	1	41,23,000	4.57	-	4.57	41,23,000	4.57	-	4.57
Tata Investment Corporation Ltd.	₹	10	4,75,840	6.83	-	6.83	4,75,840	6.83	-	6.83
Tata Steel Ltd.	₹	10	24,91,977	58.16	-	58.16	24,91,977	58.16	-	58.16
Tata Motors Ltd.	₹	2	18,63,705	7.89	-	7.89	18,63,705	7.89	-	7.89
Tata Global Beverages Ltd.	₹	1	4,31,75,140	16.09	-	16.09	4,31,75,140	16.09	-	16.09
Titan Company Ltd.	₹	1	1,38,26,180	10.31	-	10.31	1,38,26,180	10.31	-	10.31
The Associated Building Co. Ltd.	₹	900	550	-	0.02	0.02	550	-	0.02	0.02
Taj Air Ltd.	₹	10	40,00,000	-	4.00	4.00	40,00,000	-	4.00	4.00
Tata Industries Ltd.	₹	100	98,61,303	-	170.19	170.19	98,61,303	-	170.19	170.19
Tata Capital Ltd.	₹	10	32,30,859	-	4.85	4.85	32,30,859	-	4.85	4.85
Tata International Ltd.	₹	1,000	48,000	-	27.34	27.34	48,000	-	27.34	27.34
Tata Projects Ltd.	₹	100	1,93,500	-	0.38	0.38	1,93,500	-	0.38	0.38
Tata Services Ltd.	₹	1,000	1,260	-	0.13	0.13	1,260	-	0.13	0.13
Tata Sons Ltd.	₹	1,000	10,237	-	56.86	56.86	10,237	-	56.86	56.86
Tata Teleservices Ltd. #	₹	10	12,85,110	-	3.11	3.11	12,85,110	-	3.11	3.11
<b>Investments in Compulsorily Convertible Debentures (fully paid up)</b>										
<b>i) Fully paid Compulsorily Convertible Debenture</b>										
TATA Power Renewable Energy Limited	₹	10	28,90,000	-	2.89	2.89	28,90,000	-	2.89	2.89
<b>Investments in Section 8 Company (fully paid up)</b>										
Global Innovation And Technology Alliance (GITA)	₹		5,000	-	0.50	0.50		-	-	-
<b>Total - Other Investments (B)</b>			<b>113.67</b>	<b>270.27</b>	<b>383.94</b>		<b>113.67</b>	<b>269.77</b>	<b>383.44</b>	
<b>Total (A+B)</b>			<b>593.64</b>	<b>3,664.00</b>	<b>4,257.64</b>		<b>593.64</b>	<b>3,368.44</b>	<b>3,962.08</b>	
Aggregate of Quoted Investments (net of provision)					<b>593.64</b>				<b>593.64</b>	
Aggregate market value of listed and quoted investments					<b>2,951.38</b>				<b>2,225.16</b>	
Aggregate amount of unquoted investments					<b>3,664.00</b>				<b>3,368.44</b>	

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

\* With effect from April 1, 2013, Homefield International Pvt. Ltd., Mauritius, merged with the Company pursuant to scheme of amalgamation

Abbreviations for Currencies

₹: Indian Rupees

MUR: Mauritius Rupees

USD: United States Dollars

MAD: Moroccan Dirhams

## NOTES forming part of the Financial Statements (contd.)

NOTE 15	LONG-TERM LOANS AND ADVANCES			As at
		₹ in crore	₹ in crore	31-Mar-2013
				₹ in crore
<b>1. Unsecured - considered good:</b>				
(a)	Capital advances		<b>6.45</b>	10.87
(b)	Security deposits (with Government, public bodies and others)		<b>23.37</b>	19.09
(c)	Advance towards preference/equity commitments of subsidiaries (note 28(iii)(b))		<b>11.80</b>	6.51
(d)	Loans and advances to employees		<b>4.54</b>	4.29
(e)	Gratuity Funds		<b>6.75</b>	4.49
(f)	Advances recoverable in cash/kind		<b>13.29</b>	12.66
(g)	Advance payment of taxes (net of provision)		<b>266.12</b>	207.11
<b>2. Doubtful:</b>				
(a)	Advances recoverable in cash/kind		<b>0.21</b>	0.32
	Less: Provision for advances recoverable in cash/kind		<b>0.21</b>	0.32
			-	-
			<b>332.32</b>	265.02

NOTE 16	OTHER NON-CURRENT ASSETS			As at
		₹ in crore	₹ in crore	31-Mar-2013
				₹ in crore
<b>1.</b>	Unamortised cost on borrowings		<b>16.14</b>	2.78
			<b>16.14</b>	2.78

NOTE 17	CURRENT INVESTMENTS			As at 31st March, 2014			As at 31st March, 2013			
		Face Value	Holdings As at 31-Mar-14	Quoted	Unquoted	Total	Holdings As at 31-Mar-13	Quoted	Unquoted	Total
		₹		₹ in crore	₹ in crore	₹ in crore	31-Mar-13	₹ in crore	₹ in crore	₹ in crore
<b>A</b>	<b>Current Investments (At lower of cost and fair value):</b>									
	<b>Investments in equity instruments (fully paid up)</b>									
	<b>i) Investment in Other Companies:</b>									
	IFCI Venture Capital Funds Ltd.	₹ 10	250,000	-	0.25	0.25	250,000	-	0.25	0.25
	Kowa Spinning Ltd.	₹ 10	60,000	-	*	*	60,000	-	*	*
	Total - Other Current Investments (A)			-	0.25	0.25		-	0.25	0.25
	Aggregate amount of unquoted investments					0.25				0.25

\* Value below ₹ 50,000/-

## NOTES forming part of the Financial Statements (contd.)

			As at 31-Mar-2013
		₹ in crore	₹ in crore
<b>NOTE 18</b>	<b>INVENTORIES</b>		
1.	Raw materials	500.96	504.89
2.	Work-in-process	20.64	26.49
3.	Finished goods	96.75	155.10
4.	Stock in trade (acquired for trading)	74.89	140.88
5.	Stores and spare parts, packing materials	117.32	100.11
		<b>810.56</b>	<b>927.47</b>
	Inventories include goods in transit:		
(a)	Raw materials	102.46	101.03
(b)	Stock in trade (acquired for trading)	3.07	60.74
(c)	Stores and spares	0.12	0.35

			As at 31-Mar-2013
		₹ in crore	₹ in crore
<b>NOTE 19</b>	<b>TRADE RECEIVABLES</b>		
1.	<b>Over six months old from due date:</b>		
(a)	Unsecured, considered good	639.76	522.22
(b)	Doubtful	19.09	23.93
		<b>658.85</b>	546.15
(c)	Less: Provision for doubtful trade receivables	19.09	23.93
			<b>639.76</b>
2.	<b>Others:</b>		
(a)	Unsecured, considered good	1,762.02	1,962.66
(b)	Doubtful	0.01	-
		<b>1,762.03</b>	1,962.66
(c)	Less: Provision for doubtful trade receivables	0.01	-
			<b>1,762.02</b>
		<b>2,401.78</b>	<b>2,484.88</b>

**Footnote:**

- (a) Trade receivables include ₹ 1,794.89 crore (previous year ₹ 1,752.63 crore) on account of subsidy receivable from the Government, of this an amount of ₹ 620.53 crore (previous year ₹ 513.25 crore) is due for more than six months.

			As at 31-Mar-2013
		₹ in crore	₹ in crore
<b>NOTE 20</b>	<b>CASH AND BANK BALANCE</b>		
1.	<b>Balances with banks in:</b>		
(a)	Current accounts	60.29	151.54
(b)	Deposit accounts (with original maturity less than 3 months)	851.59	938.67
			<b>911.88</b>
2.	Cheques, drafts on hand	64.87	1.59
3.	Cash on hand	0.10	0.18
		<b>976.85</b>	<b>1,091.98</b>
	<b>Footnotes:</b>		
(a)	Earmarked balance with banks	11.76	12.43
(b)	Cash and cash equivalents as defined in Accounting Standard (AS) 3 - Cash flow statement	<b>965.09</b>	<b>1,079.55</b>

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 21</b>	<b>SHORT-TERM LOANS AND ADVANCES</b>	
<b>1. Unsecured-considered good:</b>		
(a) Deposits with Government, public bodies and others	42.40	50.74
(b) Advances recoverable in cash / kind	36.50	103.55
(c) Advances to suppliers	88.82	102.87
(d) Advances to employees	1.78	1.72
(e) Other receivables	77.49	36.88
	<b>246.99</b>	<b>295.76</b>

### Footnote:

- (a) Advances to employees include ₹ 0.01 crore (previous year ₹ 0.01 crore) due from officer of the Company. Maximum balance outstanding during the year ₹ 0.01 crore (previous year ₹ 0.01 crore).

	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 22</b>	<b>OTHER CURRENT ASSETS</b>	
1. Income accrued on investments	16.84	2.29
2. Claims receivable	31.96	12.50
3. Other current assets	11.50	5.03
	<b>60.30</b>	<b>19.82</b>
	₹ in crore	Previous year ₹ in crore

	₹ in crore	₹ in crore	₹ in crore
<b>NOTE 23</b>	<b>REVENUE FROM OPERATIONS</b>		
<b>1. Sales:</b>			
(a) Sales (footnote 'a' below)	8,826.82		8,519.58
<b>2. Other operating income:</b>			
(a) Insurance claims	-		5.22
(b) Town income	2.45		2.32
(c) Liabilities no longer required - written back	16.58		38.13
(d) Miscellaneous income	80.38		43.27
	<b>99.41</b>		<b>88.94</b>
	<b>8,926.23</b>		<b>8,608.52</b>

### Footnote:

- (a) Sales includes subsidy income of ₹ 2,429.32 crore (previous year ₹ 2,410.95 crore)

## NOTES forming part of the Financial Statements (contd.)

		₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 24</b>	<b>OTHER INCOME</b>			
<b>1.</b>	<b>Dividend income:</b>			
	(a) Current investments	49.25		47.62
	(b) Long-term Investments			
	(i) Subsidiaries	22.39		21.42
	(ii) Joint ventures	29.47		-
	(iii) Other	25.33		30.34
		77.19		51.76
			126.44	99.38
<b>2.</b>	<b>Interest income:</b>			
	(a) On bank deposits	15.79		7.47
	(b) On loans and advances	0.18		0.18
	(c) On refund of taxes	42.86		3.10
	(d) Other interest	1.13		0.73
			59.96	11.48
<b>3.</b>	<b>Net gain / loss on sale / redemption of investment:</b>			
	(a) Current investments	0.03		0.02
	(b) Long-term investments (footnote 'a' below)	-		245.14
			0.03	245.16
<b>4.</b>	Other non-operating income		16.49	9.58
			202.92	365.60

**Footnote:**

- (a) Net gain / loss on sale / redemption of long term investment for the previous year, represents Profit on redemption of the Company's Investment in 17,28,489 and 2,20,161 Non-Cumulative Redeemable Preference Shares of USD 100 each in Bio Energy Venture -1(Mauritius) Pvt. Ltd (acquired on merger of Wyoming 1 (Mauritius) Pvt. Ltd with the Company) and Homefield International Pvt. Ltd., Mauritius respectively, its wholly owned subsidiaries, amounting to ₹ 245.14 crore, arising on foreign currency fluctuation.

		₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 25</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>			
<b>1.</b>	Salaries, wages and bonus	206.43		203.66
<b>2.</b>	Contribution to provident and other funds	11.76		13.64
<b>3.</b>	Contribution to group insurance scheme	0.03		0.04
<b>4.</b>	Workmen and staff welfare expenditure	48.83		56.22
		267.05		273.56

## NOTES forming part of the Financial Statements (contd.)

		₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 26</b>	<b>FINANCE COSTS</b>			
<b>1.</b>	<b>Interest expenses:</b>			
	(a) Debentures and fixed loans	<b>150.78</b>		167.36
	(b) Other loans	<b>20.09</b>		19.15
			<b>170.87</b>	186.51
<b>2.</b>	Discounting and other charges		<b>14.45</b>	16.74
			<b>185.32</b>	203.25
				Previous year
			<b>₹ in crore</b>	<b>₹ in crore</b>
<b>NOTE 27</b>	<b>OTHER EXPENSES</b>			
<b>1.</b>	Stores and spare parts consumed		<b>90.42</b>	85.80
<b>2.</b>	Packing materials consumed		<b>270.44</b>	240.04
<b>3.</b>	Power and fuel		<b>814.75</b>	726.36
<b>4.</b>	Repairs - Buildings		<b>7.34</b>	6.63
	- Machinery		<b>72.14</b>	67.69
	- Others		<b>0.48</b>	0.84
<b>5.</b>	Rent		<b>41.43</b>	39.00
<b>6.</b>	Royalty, rates and taxes		<b>23.82</b>	21.14
<b>7.</b>	Excise duty adjustment for stocks		<b>0.77</b>	3.06
<b>8.</b>	Commission and distributors' service charges / discount		<b>52.43</b>	42.64
<b>9.</b>	Sales promotion expenses		<b>177.36</b>	149.54
<b>10.</b>	Insurance charges		<b>13.38</b>	13.36
<b>11.</b>	Freight and forwarding charges		<b>644.48</b>	615.31
<b>12.</b>	Loss on assets sold, discarded or write off		<b>2.79</b>	12.13
<b>13.</b>	Provision for doubtful debts and advances - written back (net)		<b>3.15</b>	2.62
<b>14.</b>	Foreign exchange (gain)/loss (net)		<b>136.65</b>	165.75
<b>15.</b>	Directors' fees / commission		<b>6.43</b>	6.47
<b>16.</b>	Other provisions (note 28(vi))		<b>0.58</b>	0.59
<b>17.</b>	Others		<b>197.35</b>	196.20
			<b>2,556.19</b>	2,395.17

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	Previous year ₹ in crore
<b>Footnotes:</b>		
<b>(a) Other expenses ₹ 197.35 crore (previous year ₹ 196.20 crore) (note 27(17)) includes:</b>		
1. Auditors' Remuneration		
(i) For Services as Auditors [includes ₹ 0.03 crore to Cost Auditors (previous year ₹ 0.04 crore)]	2.04	1.69
(ii) For tax matters	0.26	0.24
(iii) For other services	1.09	1.13
(iv) Reimbursement of travelling and out-of-pocket expenses [includes ₹ * to Cost Auditors (previous year ₹ * crore)]	0.10	0.11
(v) Service Tax [includes ₹ * to Cost Auditors (previous year ₹ *)]	0.36	0.38
	<b>3.85</b>	<b>3.55</b>
2. Donations and Other Contribution	<b>12.76</b>	<b>6.45</b>

**(b) Note 25 and 27 of Statement of Profit and Loss includes**

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 crore	Previous year ₹ in crore
(a) Remuneration including ₹ 0.14 crore (previous year ₹ 0.13 crore) towards Company's contribution to provident fund and superannuation fund.	2.73	2.44
(b) Provision for post retirement obligation	0.45	1.94
(c) Commission	3.35	3.70
(d) Estimated value of benefits in cash or in kind	0.14	0.14
	<b>6.67</b>	<b>8.22</b>

**Footnote:**

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.

	₹ in crore	Previous year ₹ in crore
<b>(c) Expenditure incurred on scientific research and development activities @</b>		
(i) Revenue Expenditure (note 25 and 27 of statement of profit and loss includes):		
(a) Innovation Centre, Pune	14.71	13.70
(b) Centre for agri-solutions and technology, Aligarh	1.89	1.02
(c) Mithapur, Okhalamandal	0.82	0.43
(ii) Capital expenditure		
(a) Innovation Centre, Pune	0.70	2.25
(b) Centre for agri-solutions and technology, Aligarh	0.10	-

@ The above figures are as certified by the Management and relied upon by the Auditors.

## NOTES forming part of the Financial Statements (contd.)

		Previous year
	2013-14	2012-13
<b>NOTE 28</b>	<b>OTHER NOTES</b>	
<b>(i) Earnings Per Share (EPS):</b>		
<b>Basic and diluted</b>		
(a) Profit for the year	₹ in crore	436.07
(b) The weighted average number of ordinary shares of ₹10 each		643.32
Total number of shares	Nos.	25,47,56,278
(c) Earnings Per Share	₹	17.12
		25.25

### (ii) Segment information:

#### (a) Information about primary business segments:

	(₹ in crore)											
	Inorganic chemicals		Fertilisers		Other agri inputs		Others		Elimination		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenue (net of excise):</b>												
External	2,879.56	2,742.97	5,197.59	5,186.73	340.63	275.79	172.45	87.63	-	-	8,590.23	8,293.12
Inter-segment	131.11	132.57	-	-	-	-	-	-	(131.11)	(132.57)	-	-
Total revenue	3,010.67	2,875.54	5,197.59	5,186.73	340.63	275.79	172.45	87.63	(131.11)	(132.57)	8,590.23	8,293.12
<b>Result:</b>												
Segment result	642.69	687.78	218.23	351.01	24.70	19.40	(53.51)	(39.51)	-	-	832.11	1,018.68
Unallocated Income net of unallocated expenditure											(77.91)	9.94
Finance costs											185.32	203.25
<b>Profit before Tax</b>											568.88	825.37
Tax expense											132.81	182.05
<b>Profit after Tax</b>											436.07	643.32

#### Other information:

	(₹ in crore)											
	Inorganic chemicals		Fertilisers		Other agri inputs		Others		Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment assets	1,902.68	2,067.22	3,294.60	3,369.51	111.08	123.29	108.95	92.38	5,716.20	5,446.61	11,133.51	11,099.01
Segment liabilities	482.08	529.95	1,043.07	880.82	92.78	53.76	29.19	17.35	3,785.16	4,309.81	5,432.28	5,791.69
Capital expenditure	95.48	121.41	57.40	59.80	-	-	10.33	2.06	24.40	16.07	187.60	199.34
Depreciation	101.37	105.90	51.14	101.79	-	-	1.35	1.68	4.96	4.92	158.82	214.29
Impairment of assets (net of reversal)	-	-	44.30	-	-	-	15.00	-	-	-	59.30	-
Non-cash expenses other than depreciation and amortisation	2.42	0.09	0.67	2.53	-	-	0.06	-	158.47	167.25	161.62	169.87

#### (b) Notes:

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

- Inorganic chemicals: comprising soda ash, marine chemicals, caustic soda, cement, bulk chemicals and salt.
- Fertilisers: comprising fertilisers including urea and phosphatic.
- Other agri Inputs: comprising 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) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

## NOTES forming part of the Financial Statements (contd.)

## (iii) Related party disclosure:

## (a) Related Parties and their relationship (as identified by the Management)

Subsidiaries	Joint Ventures	Associate	Key Management Personnel
<b>Direct</b> Rallis India Limited, India @ Bio Energy Venture - 1 (Mauritius) Pvt. Limited, Mauritius Homefield International Pvt. Limited, Mauritius@@	<b>Direct</b> Indo Maroc Phosphore S.A., Morocco	EPM Mining Venture Inc., Canada	Mr. R. Mukundan, Managing Director Mr. P. K. Ghose, Executive Director & CFO
<b>Indirect</b> Homefield Pvt. UK Limited, United Kingdom Tata Chemicals Africa Holdings Limited, United Kingdom Tata Chemicals South Africa (Proprietary) Limited, South Africa Tata Chemicals Magadi Limited, United Kingdom Magadi Railway Company Limited, Kenya Homefield 2 UK Limited, United Kingdom Tata Chemicals Europe Holdings Limited, United Kingdom Cheshire Salt Holdings Limited, United Kingdom Cheshire Salt Limited, United Kingdom British Salt Limited, United Kingdom Brinefield Storage 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 Brunner Mond Group Limited, United Kingdom Tata Chemicals Europe Limited, United Kingdom Winnington CHP Limited, United Kingdom # Brunner Mond B.V., Netherland Brunner Mond Generation Company Limited, United Kingdom Brunner Mond Limited, United Kingdom Northwich Resource Management Limited, United Kingdom GUSIUTE Holdings (UK) Limited, United Kingdom Valley Holdings Inc., United States of America Tata Chemicals North America Inc., United States of America General Chemical International Inc., United States of America General Chemical Great Britain Limited, United Kingdom NHO Canada Holdings Inc., United States of America General Chemical Canada Holding Inc., Canada Tata Chemicals (Soda Ash) Partners Holdings, United State of America ** TCSAP LLC, United State of America Tata Chemicals (Soda Ash) Partners (TCSAP), United State of America ** GCSAP Canada Inc., Canada Tata Chemicals International Pte. Limited, Singapore Grown Energy Zambeze Holdings Pvt. Limited, Mauritius Grown Energy (Pty) Limited, South Africa Grown Energy Zambeze Limitada, Mozambique Rallis Chemistry Exports Limited, India Metahelix Life Sciences Limited (Metahelix), India \$ Zero Waste Agro Organics Limited (ZWAOL), India	<b>Indirect</b> Alcad, United State of America Kemex B.V., Netherlands JOil (S) Pte. Ltd, Singapore The Block Salt Company Limited, United Kingdom Natronx Technologies LLC, United States of America		<b>Promoter Group</b> Tata Sons Limited, India (Holding more than 20% shares alongwith its subsidiary)
@	Rallis India Limited is a listed company.		
#	Winnington CHP Limited has been incorporated as a wholly owned subsidiary of Tata Chemicals Europe Limited during the year.		
**	a general partnership formed under the laws of the State of Delaware (USA).		
@@	Homefield International Pvt. Limited, Mauritius, wholly owned subsidiary of the Company, has been merged with the Company w.e.f. 1st April, 2013 vide court order dated 7th March, 2014.		
\$	Dhaanya Seeds Limited, a wholly owned subsidiary of Metahelix has been amalgamated with Metahelix pursuant to necessary approvals effective from 1st April, 2013.		
	Khet-Se Agriproduce India Private Limited ceased to be a joint venture with effect from 26th March, 2013		



## NOTES forming part of the Financial Statements (contd.)

## (iv) Employee benefit obligations:

- (a) The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit 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 the above Contribution Plans, a sum of ₹ 12.01 crore (previous year ₹ 11.79 crore) has been charged to the Statement of Profit and Loss.

- (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 31st March, 2014. 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 31st March, 2014 for the Defined Benefits Plans.

	As at 31st March, 2014				As at 31st March, 2013			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
₹ in crore)								
<b>1. Changes in the defined benefit obligation:</b>								
Projected defined benefit obligation								
At the beginning of the year	69.52	23.60	23.05	15.07	64.12	15.63	15.34	14.96
Current service cost	4.08	0.57	0.31	1.35	3.70	0.49	0.26	1.40
Interest cost	5.66	1.93	1.85	1.29	5.48	1.36	1.30	1.36
Actuarial (gain) / loss	(3.77)	3.25	(1.32)	(2.55)	3.45	6.82	7.08	(1.65)
Transfer in / transfer out	(0.22)	-	-	-	(0.19)	-	-	-
Benefits paid	(5.13)	(0.83)	(0.93)	(0.89)	(7.04)	(0.70)	(0.93)	(0.99)
<b>At the end of the year</b>	<b>70.14</b>	<b>28.52</b>	<b>22.97</b>	<b>14.27</b>	<b>69.52</b>	<b>23.60</b>	<b>23.05</b>	<b>15.07</b>
<b>2. Changes in the fair value of plan assets:</b>								
Fair value of plan assets								
At the beginning of the year	74.07	-	-	-	61.10	-	-	-
Expected return on plan assets	5.98	-	-	-	5.16	-	-	-
Employer's contributions	2.01	0.83	0.93	0.89	9.36	0.70	0.93	0.99
Actuarial gain / (loss)	0.43	-	-	-	5.68	-	-	-
Transfer in / transfer out	(0.22)	-	-	-	(0.19)	-	-	-
Benefits paid	(5.13)	(0.83)	(0.93)	(0.89)	(7.04)	(0.70)	(0.93)	(0.99)
<b>At the end of the year</b>	<b>77.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74.07</b>	<b>-</b>	<b>-</b>	<b>-</b>
Effect of the Limit in para 59(b) of AS - 15	0.25	-	-	-	0.06	-	-	-
<b>(Asset)/liability (net)</b>	<b>(6.75)</b>	<b>28.52</b>	<b>22.97</b>	<b>14.27</b>	<b>(4.49)</b>	<b>23.60</b>	<b>23.05</b>	<b>15.07</b>

## NOTES forming part of the Financial Statements (contd.)

### 3. Net employee benefit expense (recognised in employee cost) for the year:

(₹ in crore)

	As at 31st March, 2014				As at 31st March, 2013			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Current service cost	4.08	0.57	0.31	1.35	3.70	0.49	0.26	1.40
Interest on defined benefit obligation	5.66	1.93	1.85	1.29	5.48	1.36	1.30	1.36
Expected return on plan assets	(5.98)	-	-	-	(5.16)	-	-	-
Net actuarial (gain) / loss recognised in the year	(4.20)	3.25	(1.32)	(2.55)	(2.23)	6.82	7.08	(1.65)
Effect of the Limit in Para 59(b) of AS - 15	0.19	-	-	-	0.06	-	-	-
<b>Total expenses recognised in the statement of profit and loss</b>	<b>(0.25)</b>	<b>5.75</b>	<b>0.84</b>	<b>0.09</b>	1.85	8.67	8.64	1.11
Expected employer's contribution next year	-	0.94	1.08	0.96	-	0.74	1.07	0.91
Actual return on plan assets	6.41	-	-	-	10.84	-	-	-

### 4. Categories of plan assets as a percentage of the fair value of total plan assets:

	Gratuity	
	2013-14	2012-13
	%	%
Government of India securities	54	50
Corporate bonds	32	36
Equity shares of listed companies	3	3
Others	11	11
<b>Total</b>	<b>100</b>	<b>100</b>

### 5. Assumptions used in accounting for gratuity and compensated absences, long service awards, post retirement medical benefits, directors' retirement obligations and family benefit scheme:

	As at 31st March, 2014				
	Gratuity and compensated absences	Family benefit scheme	Post retirement medical benefits	Directors' retirement obligations	Long service awards
Discount rate	9.05%	9.05%	9.05%	9.05%	9.05%
	8.10%	8.10%	8.10%	8.10%	8.10%
Expected rate of return on plan assets	8.50%	NA	NA	NA	NA
	8.50%	NA	NA	NA	NA
Increase in compensation cost	10% for first year and 7.5% thereafter	10% for first year and 7.5% thereafter	NA	10% for first year and 7.5% thereafter	10% for first year and 7.5% thereafter
	7.5% for first year, 10% for second year and 7.5% thereafter	7.5% for first year, 10% for second year and 7.5% thereafter	NA	7.5% for first year, 10% for second year and 7.5% thereafter	7.5% for first year, 10% for second year and 7.5% thereafter
Increase in cost of award	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA
Healthcare cost increase rate	NA	NA	8.00%	8.00%	NA
	NA	NA	6.00%	6.00%	NA
Pension increase rate	NA	NA	NA	5.00%	NA
	NA	NA	NA	5.00%	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.

## NOTES forming part of the Financial Statements (contd.)

- (b) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (c) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.
- (d) The figures in light print are for previous year.

## 6. Effect of change in assumed health care cost trend rate for post retirement medical benefits:

	(₹ in crore)			
	2013-14		2012-13	
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	0.76	(0.72)	0.53	(0.41)
Effect on defined benefit obligation	3.99	(4.74)	4.46	(3.48)

## 7. Experience adjustments:

	(₹ in crore)									
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
	Gratuity					Directors' retirement obligations				
Defined benefit obligation	70.14	69.52	64.12	58.13	56.89	22.97	23.05	15.34	18.57	14.67
Plan assets	77.14	74.07	61.10	57.80	57.08	-	-	-	-	-
Surplus / (deficit)	7.00	4.55	(3.02)	(0.33)	0.19	(22.97)	(23.05)	(15.34)	(18.57)	(14.67)
Experience adjustments on plan liabilities	1.56	0.99	5.25	(1.64)	3.47	0.29	5.20	(3.53)	2.82	(0.16)
Experience adjustments on plan assets	0.43	5.68	1.40	(4.35)	0.31	-	-	-	-	-
	Post retirement medical benefits					Family benefit scheme				
Defined benefit obligation	28.52	23.59	15.63	14.40	15.00	14.27	15.07	14.95	11.36	11.32
Plan assets	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit)	(28.52)	(23.59)	(15.63)	(14.40)	(15.00)	(14.27)	(15.07)	(14.95)	(11.36)	(11.32)
Experience adjustments on plan liabilities	(1.68)	5.09	1.65	(1.53)	4.95	(1.58)	(1.20)	2.89	(0.85)	-
Experience adjustments on plan assets	-	-	-	-	-	-	-	-	-	-

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

## (v) The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the joint ventures are as given below:

	(₹ in crore)													
	Khet-Se Agriproduce India Private Limited #		Indo Maroc Phosphore S. A.		Kemex B.V.		Alcad		JOil (S) Pte. Limited		The Block Salt Company Limited		Natronx Technologies LLC	
	India	Morocco	Netherlands	United States of America	Singapore	United Kingdom	United States of America							
Country of Incorporation	India	Morocco	Netherlands	United States of America	Singapore	United Kingdom	United States of America							
Percentage of ownership interest	50.00%	33.33%	49.99%	50.00%	33.78%	50.00%	33.33%							
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Liabilities	-	-	103.58	106.50	0.51	0.42	14.07	6.27	1.41	1.18	1.99	1.53	3.62	8.59
Assets	-	-	302.41	299.18	0.94	0.78	14.07	8.71	38.17	45.19	3.74	2.81	119.09	103.34
Income	-	0.01	534.89	495.73	-	-	137.70	124.28	2.56	1.70	7.60	6.20	16.32	15.41
Expenditure	-	1.23	531.10	489.10	-	-	91.20	82.84	13.11	12.16	6.44	5.82	24.51	25.31
Profit/(Loss) after tax for the year	-	(1.22)	3.79	6.63	-	-	46.50	41.44	(10.52)	(10.46)	1.16	0.38	(8.19)	(9.90)
Contingent Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Commitments	-	-	-	-	-	-	-	-	2.34	1.49	-	-	-	-

# Khet-Se Agriproduce India Private Limited ceased to be a joint venture with effect from 26th March, 2013

## NOTES forming part of the Financial Statements (contd.)

### (vi) Disclosure as required by AS - 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2014:

The Company has made provision for various obligations and disputed liabilities based on its assessment of the amount it estimates to incurred to meet such obligations, details of which are given below.

(₹ in crore)

	Warranty		Site restoration expenses		Contingencies		Others		Total	
	As at 2013-14	As at 2012-13	As at 2013-14	As at 2012-13	As at 2013-14	As at 2012-13	As at 2013-14	As at 2012-13	As at 2013-14	As at 2012-13
Opening balance	0.10	0.15	12.57	12.57	-	14.13	-	4.10	12.67	30.95
Add: Provision during the year	0.58	0.59	-	-	-	-	-	-	0.58	0.59
Less: Payments / utilisation during the year	(0.56)	(0.64)	-	-	-	-	-	-	(0.56)	(0.64)
Less: Unused amount reversed during the year	-	-	-	-	-	(14.13)	-	(4.10)	-	(18.23)
<b>Closing balance</b>	<b>0.12</b>	<b>0.10</b>	<b>12.57</b>	<b>12.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.69</b>	<b>12.67</b>

### (vii) Derivative instruments:

(a) As on 31st March, 2014 the Company has the following derivative instruments outstanding:

(in million)

		Hedged Exposure	Currency	As at 2013-14	As at 2012-13
Foreign Currency Exchange Contracts					
	USD / INR	Foreign Currency Loans	USD	160.89	220.34
	USD / INR	Foreign Currency Acceptances	USD	109.22	122.43
	USD / INR	Highly Probable Forecast Transactions	USD	50.67	25.38
	EUR / INR	Highly Probable Forecast Transactions	EUR	1.27	Nil
	CHF / INR	Highly Probable Forecast Transactions	CHF	0.33	Nil
	USD / INR	External Commercial Borrowing	USD	-	107.40
Currency Option Contracts					
	USD / INR	Foreign Currency Acceptances	USD	-	2.15
	USD / INR	External Commercial Borrowing	USD	15.00	162.47
<b>Swaps</b>					
Full Currency Swap (exchange rate / interest rate)	USD / INR	External Commercial Borrowing	USD	235.00	45.00
Cross Currency Swap	USD / JPY	External Commercial Borrowing	USD	-	285.00
Coupon only Swap		External Commercial Borrowing	USD	15.00	15.00

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

- Export receivables ₹ 46.76 crore (USD 7.80 million) (previous year ₹ 20.20 crore (USD 3.72 million))
- Net accounts receivables ₹ 29.83 crore (USD 4.98 million) (previous year ₹ 197.14 crore (USD 36.32 million))
- Liability arising out of cross currency swap ₹ Nil (previous year ₹ 163.59 crore (USD 30.14 million)).

## NOTES forming part of the Financial Statements (contd.)

**(viii) Contingent liabilities and commitments (to the extent not provided for):****(i) Contingent liabilities:**

- (a) Guarantees:
- (i) Bank Guarantees issued by Banks on behalf of the Company ₹ **297.93 crore** (previous year ₹ 267.96 crore). 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 390.40 million (₹ 2,339.08 crore)** (previous year USD 388.30 million (₹ 2,107.89 crore)).
- (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 devolve on the Company relating to the following areas:

		(₹ in crore)	
		As at 2013-14	As at 2012-13
(i)	Excise and Customs	7.31	3.26
(ii)	Sales Tax	9.47	11.40
(iii)	Demand for utility charges	56.61	56.69
(iv)	Labour and other claims against the Company not acknowledged as debt	3.71	2.39
(v)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	140.60	188.98
(vi)	Income Tax (decided in Company's favour by Appellate authorities and Department is in further appeal)	35.76	37.33

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

**(ii) Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **24.47 crore** (previous year ₹ 37.40 crore).
- (b) Capital commitment towards investment in joint ventures ₹ **34.39 crore** (previous year ₹ 31.15 crore).
- (c) For commitments related to derivatives and leases refer note 28 (vii) and 28 (ix) respectively.

**(ix) Operating leases:****As a lessee**

- (a) 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. The leases are non-cancellable and are for the period 15 years and may be renewed for a further period of 10 years based on mutual agreements of the parties.

		(₹ in crore)	
		As at 2013-14	As at 2012-13
(b)	Total of minimum lease payments	69.81	86.01
	The total of future minimum lease payments under non-cancellable operating leases for a period:		
	Not later than one year	16.68	16.20
	Later than one year and not later than five years	53.13	69.81
	Later than five years	-	-
(c)	Lease payments recognised in the Statement of Profit and Loss for the year / minimum lease payments	18.20	17.67

## NOTES forming part of the Financial Statements (contd.)

- (d) The lease deposit of ₹ 25 crore (previous year ₹ 25 crore) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ Nil (previous year ₹ 1.57 crore) has been charged to the Statement of Profit and Loss on the principle of matching of revenue and costs.

### (x) Borrowing costs capitalised:

	(₹ in crore)	
	As at 2013-14	As at 2012-13
Borrowing costs capitalised during the year		
- as fixed assets / capital work in progress	0.35	0.99

### (xi) Details of unutilised amounts out of issue of securities for the specific purpose:

During 2010-11, the Company has issued equity shares to Tata Sons Limited amounting to ₹ 363.40 crore to fund Company's various growth projects. As at 31st March, 2014, this balance of ₹ 363.40 crore (31st March, 2013 ₹ 363.40 crore) is pending utilisation for the specified activities and this unutilised amount has been kept invested in bank fixed deposits / money market mutual funds, pending final utilisation.

### (xii) Sales of products comprises of:

	(₹ in crore)	
	Sales	
	2013-14	2012-13
<b>Manufactured goods:</b>		
Soda Ash	1,355.14	1,291.96
Sodium Bicarbonate	165.33	155.44
Caustic Soda	18.88	17.59
Bromine	21.92	22.03
Vacuum and Iodised Salt #	990.66	935.04
Gypsum	10.22	14.80
Cement	219.69	228.75
Clinker	9.79	16.46
Customised Fertiliser	34.85	40.00
Urea	1,870.61	1,631.28
Diammonium Phosphate (DAP)	895.33	811.50
Nitrogen Phosphate Potash (NPK)	892.12	951.59
Single Super Phosphate	199.74	222.00
Sulphuric Acid	50.04	72.79
Others	53.09	33.23
<b>Total - Sale of manufactured goods</b>	<b>6,787.41</b>	<b>6,444.46</b>
<b>Traded goods:</b>		
Solar Evaporated Salt I-Shakti	143.75	140.79
Diammonium Phosphate (DAP)	670.80	1,220.87
Muriate of Potash (MOP)	418.60	124.65
Soda Ash	55.75	10.91
Sodium Tripolyphosphate (STPP)	35.63	7.40
Fertiliser	575.67	479.42
Others	139.21	91.08
<b>Total sale of traded goods</b>	<b>2,039.41</b>	<b>2,075.12</b>
<b>Total sales</b>	<b>8,826.82</b>	<b>8,519.58</b>

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

**NOTES** forming part of the Financial Statements (contd.)

**(xiii) Closing Stocks of finished goods and work-in-process comprises:**

	(₹ in crore)			
	Finished goods		Work-in-process	
	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-14	As at 31-Mar-13
Soda Ash	12.62	22.37	2.98	2.32
Sodium Bicarbonate	1.76	1.91	-	-
Bromine	0.04	0.18	0.18	0.04
Vacuum and Iodised Salt	31.27	54.12	-	-
Clinker	-	-	10.14	14.97
Gypsum	1.29	1.71	-	-
Cement	0.31	0.02	1.16	1.32
Ammonia	-	-	4.57	1.83
Customised Fertiliser	8.08	13.46	1.11	1.43
Urea	10.81	37.37	-	-
Diammonium Phosphate (DAP)	1.76	9.45	-	-
Nitrogen Phosphate Potash (NPK)	1.35	1.21	-	-
Single Super Phosphate	17.85	6.24	-	4.13
Sulphuric Acid	1.72	2.32	-	-
Phosphoric Acid	2.53	0.52	-	-
Sulphonic Acid	0.03	0.03	-	-
Others	5.33	4.19	0.50	0.45
<b>Traded goods:</b>				
Solar Evaporated Salt I-Shakti	6.69	12.47	-	-
Soda Ash	1.17	1.63	-	-
Sodium Tripolyphosphate (STPP)	6.61	5.68	-	-
Diammonium Phosphate (DAP)	1.92	1.81	-	-
Muriate of Potash (MOP)	0.92	63.26	-	-
Other - Trading	57.58	56.03	-	-
	<b>171.64</b>	295.98	<b>20.64</b>	26.49

**(xiv) Raw materials consumed comprises:**

(inclusive of materials produced and captively consumed)

	(₹ in crore)	
	2013-14	2012-13
Limestone @	180.61	147.52
Liquid Ammonia #	9.40	10.49
Salt *	75.47	39.40
Coke	102.80	100.50
Anthracite Coal	45.44	55.08
Indonesian Coal	28.22	28.54

## NOTES forming part of the Financial Statements (contd.)

	(₹ in crore)	
	2013-14	2012-13
South African coal	23.82	23.44
Soda Ash - Imported	30.60	70.90
Natural Gas	443.38	428.33
Regassified Liquefied Natural Gas (RLNG)	489.19	308.43
Customised Fertiliser	23.11	23.12
Phosphoric Acid	794.51	755.82
Ammonia	328.82	335.28
Muriate of Potash (MOP)	306.20	314.95
Rock	161.87	168.44
Sulphur	70.21	49.26
Soda Ash	2.03	0.34
Neem Oil	2.94	3.12
Other Raw Materials **	89.01	138.76
	<b>3,207.63</b>	3,001.72

\* Includes ₹ 5.11 crore (previous Year ₹ 3.66 crore) pertaining to wages, salaries and other revenue account

# Includes ₹ 0.64 crore (previous Year ₹ 0.63 crore) pertaining to wages, salaries and other revenue account

@ Includes ₹ (0.62) crore (previous Year ₹ 2.57 crore) pertaining to wages, salaries and other revenue account

\*\* Includes ₹ 8.26 crore (previous Year ₹ 6.07 crore) pertaining to wages, salaries and other revenue account

### (xv) Value of imports (C.I.F. value):

	(₹ in crore)	
	2013-14	2012-13
(a) Raw materials and fuel	1,963.70	1,900.60
(b) Traded products	910.56	954.95
(c) Stores, components and spare parts	11.99	13.76
(d) Capital goods	33.18	27.31
	<b>2,919.43</b>	2,896.62

### (xvi) Expenditure in foreign currencies:

	(₹ in crore)	
	2013-14	2012-13
(a) Technical know-how fees @	2.22	5.47
(b) Interest #	49.97	71.63
(c) Payments on other accounts #	20.61	3.09
	<b>72.80</b>	80.19

@ Expenditure ₹ 2.22 crore (previous year ₹ 5.47 crore) at gross of TDS and ₹ 2.20 crore (previous year ₹ 4.95 crore) net of TDS for the year 2013-14

# Expenditure at gross of TDS for the year 2013-14 and 2012-13.

**NOTES** forming part of the Financial Statements (contd.)**(xvii) Remittances in foreign currencies for dividends:**

The Company has remitted during the year ₹ 54.55 crore (previous year ₹ 41.22 crore) 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.

	2013-14	2012-13
(a) Number of non-resident shareholders	2,868	2,823
(b) Number of ordinary shares held by them	5,45,50,344	4,12,24,633
(c) Gross amount of dividend (₹ in crore)	54.55	41.22
(d) Year ended to which the dividend related	March-2013	March-2012

(₹ in crore)

**(xviii) Earnings in foreign exchange:**

	2013-14	2012-13
(a) Export of goods on F.O.B. basis	10.02	28.57
(b) Miscellaneous Income	18.70	18.06
(c) Dividend	29.47	-
	58.19	46.63

**(xix) Value of Imported and Indigenous raw materials, stores, components and spare parts consumed:**

	2013-14		2013-14		2012-13		2012-13	
	Raw Materials		Stores, Components and Spare Parts		Raw Materials		Stores, Components and Spare Parts	
	₹ in crore	%	₹ in crore	%	₹ in crore	%	₹ in crore	%
(a) Imported	1,883.88	58.73	11.62	12.85	1,864.54	62.12	5.14	5.99
(b) Indigenous #	1,323.75	41.27	78.80	87.15	1,137.18	37.88	80.66	94.01
	3,207.63	100.00	90.42	100.00	3,001.72	100.00	85.80	100.00

# Includes ₹ 13.39 crore (previous year ₹ 12.93 crore) pertaining to wages, salaries and other revenue accounts.

**(xx) Scheme of arrangement between erstwhile Homefield International Pvt. Ltd. "Homefield", a wholly owned subsidiary of the Company, with the Company:**

- (a) The scheme of arrangement (the "Scheme") between the erstwhile Homefield International Pvt. Ltd. ("Homefield"), a wholly owned subsidiary of the Company, with the Company was approved by the Honourable High Court of Judicature at Bombay (the "Hon. High Court") vide its order dated 7th March, 2014. The Scheme came into effect after the order of the Hon. High Court was filed with the Registrar of Companies, Mumbai, i.e. 29th April, 2014, (the "Effective Date") but took legal force and effect retrospectively from 1st April, 2013 (the "Appointed Date").
- (b) Thus the business of Homefield was deemed to be transferred to the Company with effect from 1st April, 2013. The transfer was recorded using the "Pooling of Interest" method as set out in the Accounting Standard (AS) 14 on accounting for amalgamations. Accordingly:
  - i. the assets and liabilities of Homefield as at 31st March, 2013, were transferred to the Company at their respective book values;
  - ii. the reserves of Homefield as on that date were recorded in the same form and at the same values as appearing in the financial statements of Homefield as at and for the year ended 31st March, 2013;
  - iii. the inter-company balances as on that date were cancelled; and
  - iv. the investments appearing in the books of account of the Company were cancelled against the share capital of Homefield with no residual surplus or deficit (as all the shares of Homefield were held by the Company).

## NOTES forming part of the Financial Statements (contd.)

- (c) These entries have been summarised below:

	( ₹ crore)
Investment	643.79
Current assets, loans and advances	
Cash and bank balances	0.38
Loans and advances	0.01
<b>Total Assets</b>	<b>644.18</b>
Reserves	194.81
Current liabilities and provisions	6.58
Total liabilities	201.39
<b>Net Assets</b>	<b>442.79</b>
Less: Cancellation of investment in subsidiary	(442.79)
	-

- (d) The income and expenditure of Homefield between 1st April, 2013 and 31st March, 2014 that were incorporated as income and expenditure of the Company have been summarised below:

Statement of Profit and Loss for the year 1st April, 2013 to 31st March, 2014

	( ₹ crore)
<b>Revenue</b>	-
<b>Expenditure</b>	
Interest expenses	0.31
Audit fees	0.05
Administration expenses	0.18
Other expenses	0.04
<b>Total expenses</b>	<b>0.58</b>
<b>Loss before Tax</b>	<b>(0.58)</b>
Tax expense	-
<b>Loss for the period</b>	<b>(0.58)</b>

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

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

Signatures to Notes '1' to '28'

For and on behalf of the Board

**Cyrus P. Mistry**

Chairman

**Nusli N. Wadia**

Director

**Nasser Munjee**

Director

**Dr. Y. S. P. Thorat**

Director

**R. Mukundan**

Managing Director

**R. Gopalakrishnan**

Vice-Chairman

**Ek Nath A. Kshirsagar**

Director

**Dr. Vijay Kelkar**

Director

**P. K. Ghose**

Executive Director & CFO

**Rajiv Chandan**

General Counsel & Company Secretary

Mumbai, 30th May, 2014

For the year ended March 31, 2014 Summary of Financial Information of Subsidiary Companies under Section 212

(₹ in crore)

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	539.33	126.20	758.09	92.56	758.05	-	(0.57)	-	(0.57)	-
2	Tata Chemicals International Pte. Limited	Singapore	USD	3,575.35	(375.51)	4,556.25	1,356.41	4,472.96	187.85	(416.25)	-	(416.25)	-
3	Homefield Pvt. UK Limited	United Kingdom	USD	613.40	(1,188.36)	475.42	1,050.38	463.78	-	(56.00)	-	(56.00)	-
4	Homefield 2 UK Limited	United Kingdom	GBP	99.77	(172.41)	42.51	115.16	36.26	-	(358.16)	-	(358.16)	-
5	Tata Chemicals Europe Holdings Limited	United Kingdom	GBP	99.77	(940.70)	1,222.70	2,063.64	1,128.94	-	(145.23)	-	(145.23)	-
6	Brunner Mond Group Limited	United Kingdom	GBP	634.68	(7.62)	627.05	-	-	-	23.61	-	23.61	-
7	Tata Chemicals Europe Limited	United Kingdom	GBP	169.99	(409.88)	1,221.00	1,460.90	-	1,422.19	(213.59)	10.87	(224.46)	-
8	Brunner Mond Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
9	Tata Chemicals Magadi Limited	United Kingdom	USD	10.56	(447.40)	397.48	834.31	-	630.19	(465.33)	-	(465.33)	-
10	Tata Chemicals South Africa (Proprietary) Limited	South Africa	ZAR	*	20.37	49.73	29.36	-	77.48	2.74	0.64	2.11	-
11	Northwich Resource Management Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
12	Brunner Mond Generation Company Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
13	Tata Chemicals Africa Holdings Limited	United Kingdom	GBP	39.37	(34.95)	4.42	-	-	-	(45.68)	-	(45.68)	-
14	Magadi Railway Company Limited	Kenya	KSH	0.01	-	0.01	-	-	-	-	-	-	-
15	Brunner Mond B.V.	Netherlands	EUR	0.20	(348.54)	-	348.34	-	-	(0.66)	-	(0.66)	-
16	Winnington CHP Limited	United Kingdom	GBP	*	(88.33)	41.84	130.17	-	388.00	(88.33)	-	(88.33)	-
17	GUSIUTE Holdings (UK) Limited	United Kingdom	USD	4,095.41	263.12	4,525.37	166.84	4,454.16	-	(409.56)	-	(409.56)	-
18	Valley Holdings Inc.	United States of America	USD	*	5,092.40	5,101.48	9.09	-	-	(6.66)	(1.32)	(5.35)	-
19	Tata Chemicals North America Inc.	United States of America	USD	1,370.89	(2,354.25)	1,431.73	2,415.09	-	26.91	(164.88)	40.45	(205.33)	-
20	General Chemical International Inc.	United States of America	USD	0.01	-	0.01	-	-	-	-	-	-	-
21	NHO Canada Holdings Inc.	United States of America	USD	*	-	*	-	-	-	-	-	-	-
22	Tata Chemicals (Soda Ash) Partners (TCSAP)	United States of America	USD	\$	1,645.30	2,372.96	727.65	115.58	2,876.47	617.09	-	617.09	-
23	General Chemical Great Britain Limited	United Kingdom	USD	*	1.16	1.16	-	-	-	-	-	-	-

**For the year ended March 31, 2014 Summary of Financial Information of Subsidiary Companies under Section 212 (contd.)** (₹ in crore)

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
24	General Chemical Canada Holding Inc.	Canada	CAD	@	-	-	-	-	-	-	-	-	-
25	GCSAP Canada Inc.	Canada	CAD	@	-	-	-	-	-	-	-	-	-
26	Tata Chemicals (Soda Ash) Partners Holdings	United States of America	USD	-	(656.99)	(654.06)	2.93	-	-	(0.39)	-	(0.39)	-
27	TCSAP LLC	United States of America	USD	-	(23.20)	(23.20)	-	-	-	-	-	-	-
28	Bio Energy Venture -1 (Mauritius) Pvt. Limited	Mauritius	USD	4,364.23	35.97	4,400.37	0.18	3,790.25	-	12.10	0.36	11.74	-
29	Grown Energy Zambze Holdings Pvt. Limited	Mauritius	USD	76.50	(0.99)	75.68	0.17	75.36	-	(0.22)	-	(0.22)	-
30	Grown Energy (Pty) Limited	South Africa	ZAR	*	(*)	*	-	*	-	-	-	-	-
31	Grown Energy Zambze Limitada	Mozambique	MZN	0.36	(40.64)	35.75	76.02	-	-	(12.95)	-	(12.95)	-
32	Rallis India Limited	India	INR	1945	693.80	1,136.54	423.29	218.78	1,510.24	209.04	62.68	146.36	54.60
33	Rallis Chemistry Exports Limited	India	INR	0.05	(0.20)	0.04	0.19	-	-	(0.04)	-	(0.04)	-
34	Metaheix Life Sciences Limited	India	INR	0.11	16.28	164.42	148.03	-	224.81	9.22	-	9.22	-
35	Zero Waste Agro Organics Limited #	India	INR	0.07	14.80	16.15	1.28	-	8.09	(3.02)	(0.95)	(2.07)	-
36	British Salt Limited	United Kingdom	GBP	*	383.28	1,221.40	838.12	7.65	422.67	81.92	(3.27)	85.19	-
37	Cheshire Salt Holdings Limited	United Kingdom	GBP	1.40	(1.38)	0.02	-	-	-	-	-	-	-
38	Cheshire Salt Limited	United Kingdom	GBP	*	206.84	833.88	627.05	*	-	10.88	1.83	9.05	-
39	Brinefield Storage Limited	United Kingdom	GBP	0.01	(0.07)	-	0.06	-	-	-	-	-	-
40	Cheshire Cavity Storage 2 Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
41	Cheshire Compressor Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
42	Irish Feeds Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
43	New Cheshire Salt Works Limited	United Kingdom	GBP	7.60	10.12	17.72	-	-	-	-	-	-	-

**Notes:**

- The financial statements of subsidiaries are converted into Indian rupees on the basis of exchange rate as on closing day of the financial year.
- # Turnover, profit/(loss) before taxation, provision for taxation and profit/(loss) after tax shown above is for the period 01/04/2012 to 31/03/2013. However same is considered on a proportionate basis for the purposes of consolidation from the date of acquisition based on the Consolidated Financial Statements of Zero Waste Agro Organics Private Limited.
- @ Shares issued with no par value.
- \$ Partner's capital included as reserves.
- Asterisk (\*) denotes figures below ₹ 50,000.

## INDEPENDENT AUDITORS' REPORT

### To The Board of Directors of TATA CHEMICALS LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TATA CHEMICALS LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries and jointly controlled entities and based on the consideration of financial information of an associate based on management accounts referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Emphasis of Matter

We draw attention to Note 29(iv)(d) to the Consolidated financial statements which describes 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 Consolidated Statement of Profit and Loss as per the generally accepted accounting principles in India. Had the Group followed the practice of recognising such gains and losses in the Consolidated Statement of Profit and Loss, the Consolidated Net Loss before tax and Consolidated Net Loss after tax after the minority interest of the Group for the year ended

31st March, 2014 would have been higher by ₹ 140.95 crore and ₹ 77.36 crore respectively.

Our opinion is not qualified in respect of this matter.

#### **Other Matter**

We did not audit the financial statements / financial information of thirty one subsidiaries and four jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 3,197.82 crore as at 31st March, 2014, total revenues of ₹ 2,825.51 crore and net cash flows amounting to ₹ 114.93 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

The consolidated financial information also includes the Group's share of net loss of ₹ 3.33 crore for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of an associate, whose financial information is based on the management accounts.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

**Sanjiv V. Pilgaonkar**

(Partner)

(Membership No. 039826)

MUMBAI, 30th May, 2014

## CONSOLIDATED BALANCE SHEET as at 31st March, 2014

	Note	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	3	254.82		254.82
(b) Reserves and Surplus	4	5,310.69		6,158.74
			<b>5,565.51</b>	<b>6,413.56</b>
<b>2. Minority Interest</b>				
			<b>655.22</b>	<b>536.14</b>
<b>3. Non-Current Liabilities</b>				
(a) Long-Term Borrowings	5	6,909.76		5,460.98
(b) Deferred Tax Liabilities (net)	6	276.92		153.45
(c) Other Long-Term Liabilities	7	294.97		262.41
(d) Long-Term Provisions	8	1,343.09		1,194.52
			<b>8,824.74</b>	<b>7,071.36</b>
<b>4. Current Liabilities</b>				
(a) Short-Term Borrowings	9	1,459.85		1,489.67
(b) Trade Payables	10	2,425.55		2,123.59
(c) Other Current Liabilities	11	659.02		2,079.86
(d) Short-Term Provisions	12	620.51		524.83
			<b>5,164.93</b>	<b>6,217.95</b>
<b>TOTAL</b>			<b>20,210.40</b>	<b>20,239.01</b>
<b>II. ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Fixed Assets	13			
(i) Tangible Assets		4,231.69		4,048.17
(ii) Intangible Assets		52.68		30.56
(iii) Capital Work-in-Progress		452.69		572.80
(iv) Intangible Assets held under Development		14.90		18.80
		<b>4,751.96</b>		<b>4,670.33</b>
(b) Goodwill on Consolidation (net of impairment)	28(a)	6,722.61		6,627.02
(c) Non-Current Investments	14	434.21		598.37
(d) Deferred Tax Assets (net)	6	85.92		159.02
(e) Long-Term Loans and Advances	15	490.75		448.67
(f) Other Non-Current Assets	16	262.15		230.26
			<b>12,747.60</b>	<b>12,733.67</b>
<b>2. Current Assets</b>				
(a) Current Investments	17	6.67		1.29
(b) Inventories	18	1,649.04		1,601.82
(c) Trade Receivables	19	3,265.88		3,440.09
(d) Cash and Bank Balance	20	1,753.00		1,841.35
(e) Short-Term Loans and Advances	21	670.84		516.39
(f) Other Current Assets	22	117.37		104.40
			<b>7,462.80</b>	<b>7,505.34</b>
<b>TOTAL</b>			<b>20,210.40</b>	<b>20,239.01</b>
Notes forming part of Consolidated Financial Statements	1 - 29			

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**Sanjiv V. Pilgaonkar**  
Partner  
Mumbai, 30th May, 2014**Rajiv Chandan**  
General Counsel & Company Secretary

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman  
**Nusli N. Wadia**  
Director  
**Nasser Munjee**  
Director  
**Dr. Y. S. P. Thorat**  
Director  
**R. Mukundan**  
Managing Director**R. Gopalakrishnan**  
Vice-Chairman  
**Eknath A. Kshirsagar**  
Director  
**Dr. Vijay Kelkar**  
Director  
**P. K. Ghose**  
Executive Director & CFO

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31st March, 2014

	Note	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>I. REVENUE</b>				
(a) Revenue from Operations (gross)	23	16,237.49		15,034.33
(b) Less: Excise Duty		342.06		323.31
(c) Net Revenue from Operations			15,895.43	14,711.02
<b>II. Other Income</b>	24		142.42	417.78
<b>III. Total Revenue (I+II)</b>			16,037.85	15,128.80
<b>IV. EXPENSES</b>				
(a) Cost of Materials Consumed		4,341.37		4,040.36
(b) Purchases of Stock-in-Trade		1,812.55		1,565.46
(c) Changes in Inventories of Work-in-Progress, Finished Goods and Stock-in-Trade		108.94		207.31
(d) Employee Benefits Expense	25	1,214.53		1,125.53
(e) Finance Costs (net)	26	579.29		463.91
(f) Depreciation and Amortisation Expense	13	471.24		533.88
(g) Other Expenses	27	6,608.61		5,609.45
<b>Total Expenses</b>			15,136.53	13,545.90
<b>V. Profit Before Exceptional Items and Tax (III-IV)</b>			901.32	1,582.90
<b>VI. Exceptional Items</b>	28		1,420.21	669.87
<b>VII. (Loss) / Profit Before Tax (V-VI)</b>			(518.89)	913.03
<b>VIII. Tax Expense</b>				
(a) Current Tax		161.79		252.24
(b) Deferred Tax		126.99		50.28
			288.78	302.52
<b>IX. (Loss) / Profit After Tax Before Minority Interest (VII-VIII)</b>			(807.67)	610.51
<b>X. Share of Loss in Associate</b>			3.33	3.08
<b>XI. Minority Interest</b>			221.00	207.03
<b>XII. (Loss) / Profit For the Year (IX-X-XI)</b>			(1,032.00)	400.40
<b>XIII. EARNINGS PER SHARE (₹)</b>	29(i)			
(Face value per share - ₹ 10)				
(a) Basic			(40.51)	15.72
(b) Diluted			(40.51)	15.72
Notes forming part of Consolidated Financial Statements	1 - 29			

In terms of our report attached

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

**Sanjiv V. Pilgaonkar**  
Partner  
Mumbai, 30th May, 2014

**Rajiv Chandan**  
General Counsel & Company Secretary

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman  
**Nusli N. Wadia**  
Director  
**Nasser Munjee**  
Director  
**Dr. Y. S. P. Thorat**  
Director  
**R. Mukundan**  
Managing Director

**R. Gopalakrishnan**  
Vice-Chairman  
**Eknath A. Kshirsagar**  
Director  
**Dr. Vijay Kelkar**  
Director  
**P. K. Ghose**  
Executive Director & CFO

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014

	₹ in crore	Previous year ₹ in crore
<b>A Cash Flow from Operating Activities</b>		
(Loss) / profit before tax	(518.89)	913.03
Adjustments for:		
Depreciation and amortisation	471.24	533.88
Impairment of assets (net of reversal)	983.68	471.55
Finance costs	579.29	463.91
Interest income	(66.20)	(17.14)
Dividend income	(76.19)	(78.84)
Grants received (net)	(0.27)	(0.42)
Profit on sale of investments (net)	(0.03)	(0.02)
Foreign exchange gain realised on redemption of investments	-	(245.14)
Provision for doubtful debts and advances	4.71	3.28
Provision for diminution in value of non-current investments	180.31	-
Unrealised foreign exchange loss (net)	166.03	322.68
Loss / (profit) on assets sold or discarded (net)	4.44	(76.64)
<b>Operating Profit before Working Capital Changes</b>	<b>1,728.12</b>	<b>2,290.13</b>
Adjustments for:		
Trade and other receivables	3.42	(1,091.41)
Inventories	(47.22)	264.06
Trade payables, other liabilities and provisions	884.44	(883.35)
<b>Cash generated from Operations</b>	<b>2,568.76</b>	<b>579.43</b>
Taxes paid (net of refund)	(230.68)	(358.43)
<b>Net Cash generated from Operating Activities</b>	<b>2,338.08</b>	<b>221.00</b>
<b>B Cash Flow from Investing Activities</b>		
Acquisition of fixed assets (including capital work-in-progress)	(702.62)	(625.72)
Proceeds on sale of fixed assets	108.81	41.52
Proceeds on sale of current investments	10,589.73	9,788.63
Purchase of non-current investments	(0.50)	(2.89)
Purchase of current investments	(10,595.08)	(9,765.65)
Foreign exchange gain realised on redemption of investments	-	245.14
Interest received	65.58	16.84
Dividend received	76.19	78.84
Consideration paid on acquisition / investment in subsidiary	(13.34)	(15.50)
Consideration received on disposal of investment in joint venture	-	0.05
<b>Net Cash used in Investing Activities</b>	<b>(471.23)</b>	<b>(238.74)</b>

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014 (Contd.)

	₹ in crore	Previous year ₹ in crore
<b>C Cash Flow from Financing Activities</b>		
Proceeds of borrowings	5,622.11	4,453.62
Repayment of borrowings	(6,406.70)	(3,424.86)
Settlement of currency swap contracts	(52.43)	0.67
Finance costs paid	(579.79)	(464.05)
Payment to minority interest	(152.35)	(133.48)
Capital subsidy / grants received	0.63	0.67
Dividends paid including distribution tax	(296.07)	(303.34)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>(1,864.60)</b>	129.23
Net Increase in cash and cash equivalents	2.25	111.49
Cash and cash equivalents as at 1st April (opening balance)	1,827.96	1,668.08
Add: Cash and bank balance taken over on acquisition	-	5.00
Less: Cash and bank balance discharged on disposal	-	(0.09)
Exchange difference on translation of foreign currency cash and cash equivalents	(90.14)	43.48
Cash and cash equivalents	1,740.07	1,827.96
Add: Earmarked balances	12.93	13.39
Cash and bank balance as at 31st March (note 20) (closing balance)	<b>1,753.00</b>	1,841.35

Note:

- (a) 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 LLP**  
Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner  
Mumbai, 30th May, 2014

**Rajiv Chandan**  
General Counsel & Company Secretary

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman  
**Nusli N. Wadia**  
Director  
**Nasser Munjee**  
Director  
**Dr. Y. S. P. Thorat**  
Director  
**R. Mukundan**  
Managing Director

**R. Gopalakrishnan**  
Vice-Chairman  
**Ek Nath A. Kshirsagar**  
Director  
**Dr. Vijay Kelkar**  
Director  
**P. K. Ghose**  
Executive Director & CFO

## NOTES forming part of Consolidated Financial Statements

### NOTE 1 BASIS OF CONSOLIDATION

The consolidated financial statements relate to Tata Chemicals Limited (the Company), its subsidiary companies, joint ventures and an associate. 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 up to the same reporting date as of the Company, i.e. for the year ended 31st March, 2014.
- 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. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable u/s 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

#### (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 Group proportionate share.
- III The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'equity method', and accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. An associate is an enterprise in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the investor.
- IV The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures are made is recognised in the financial statements as "Goodwill on Consolidation".
- V The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- VI The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.
- VII Minority interest in the net assets of subsidiaries consists of:
  - a) The amount of equity attributable to minority at the date on which the investment in the subsidiary is made.
  - b) The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiary 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, 2014
<b>Subsidiaries</b>		
Rallis India Limited (Rallis)	India	50.06%
Rallis Chemistry Exports Limited	India	100% subsidiary of Rallis
Metahelix Life Sciences Limited * \$	India	80.51% subsidiary of Rallis
Zero Waste Agro Organics Limited (ZWAOL)#	India	51.02% holding by Rallis

**NOTES** forming part of Consolidated Financial Statements (contd.)

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>Percentage of Voting power as at 31st March, 2014</b>
Valley Holdings Inc.	United States of America	100%
Tata Chemicals North America Inc.	United States of America	100%
General Chemical International Inc.	United States of America	100%
NHO Canada Holdings Inc.	United States of America	100%
Tata Chemicals (Soda Ash) Partners (TCSAP)**	United States of America	75%
Tata Chemicals (Soda Ash) Partners Holdings**	United States of America	75%
TCSAP LLC	United States of America	75%
General Chemical Canada Holding Inc.	Canada	100%
GCSAP Canada Inc	Canada	75%
Homefield PVT. UK Limited	United Kingdom	100%
Homefield 2 UK Limited	United Kingdom	100%
Tata Chemicals Africa Holdings Limited	United Kingdom	100%
Tata Chemicals Europe Holdings Limited	United Kingdom	100%
Tata Chemicals Europe Limited	United Kingdom	100%
Winnington CHP Limited @	United Kingdom	100%
Brunner Mond Group Limited	United Kingdom	100%
Brunner Mond Limited	United Kingdom	100%
Tata Chemicals Magadi Limited	United Kingdom	100%
Northwich Resource Management Limited	United Kingdom	100%
Brunner Mond Generation Company 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%
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%
Bio Energy Venture - 1 ( Mauritius) Pvt. Limited	Mauritius	100%
Grown Energy Zambeze Holdings Pvt. Limited	Mauritius	100%

**NOTES** forming part of Consolidated Financial Statements (contd.)

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2014
Tata Chemicals International Pte. Limited	Singapore	100%
Tata Chemicals South Africa (Proprietary) Limited	South Africa	100%
Grown Energy (Pty) Limited	South Africa	100%
Magadi Railway Company Limited	Kenya	100%
Grown Energy Zambeze Limitada	Mozambique	95%

\* During the year Rallis has acquired additional equity shares, consequent to which share has increased to 80.51% from 77.02% in previous year.

# Rallis has acquired additional equity shares, consequent to which share has increased to 51.02% from 22.81% in ZWAOL during the year.

@ Winnington CHP Limited has been incorporated as a wholly owned subsidiary of Tata Chemicals Europe Limited during the year.

@@ Homefield International Pvt. Limited, Mauritius, wholly owned subsidiary of the Company, has been merged with the Company w.e.f. 1st April, 2013 vide court order dated 7th March, 2014.

\$ Dhaanya Seeds Limited, a wholly owned subsidiary of Metahelix has been amalgamated with Metahelix pursuant to necessary approvals effective from 1st April, 2013.

\*\* a general partnership formed under the laws of the State of Delaware (USA)

**Joint Ventures**

Alcad	United States of America	50% is holding by TCSA
The Block Salt Company Limited	United Kingdom	New Cheshire Salt Works Limited holds 50%
Kemex B.V.	Netherlands	49.99%
JOil (S) Pte. Ltd and its subsidiaries	Singapore	33.78%
Indo Maroc Phosphore S. A.	Morocco	33.33%
Natronx Technologies LLC	United States of America	TCSAP holds 33.33%
Khet-Se Agriproduce India Private Limited#		

**Associate**

EPM Mining Ventures Inc.	Canada	25.70%
--------------------------	--------	--------

**Promoter Group**

Tata Sons Limited	India	Holding more than 20% shares alongwith its subsidiary
-------------------	-------	---

# Khet-Se Agriproduce India Private Limited ceased to be a Joint Venture with effect from 26th March, 2013

**NOTE 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.

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable u/s 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The accounts of the Group are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

## NOTES forming part of Consolidated Financial Statements (contd.)

### (b) Use of Estimates

The presentation of the financial statements in conformity with Indian GAAP 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. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

### (c) Tangible and Intangible Fixed Assets

Tangible fixed assets are carried at original cost net of taxes / duties, credits availed, if any, less depreciation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying 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. Subsequent expenditure relating to the fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

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

Fixed Assets retired from active use and held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the Consolidated Balance Sheet.

#### Intangibles assets

Computer software, 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.

#### Biological assets

Biological assets are recognised when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the enterprise, and the fair value or cost of the asset can be measured reliably.

In cases whereby the fair value of biological assets cannot be estimated reliably, biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the asset is measured at its fair value less estimated point-of-sale costs.

### (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 (net of impairment).

### (e) Depreciation and Amortisation

(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 9% 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.

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

### (f) Impairment of Tangible and Intangible Fixed 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

**NOTES** forming part of Consolidated Financial Statements (contd.)

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 in the Consolidated Statement of Profit and Loss.

**(g) Investments**

Long-term investments are carried individually 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. Cost of investments includes acquisition charges such as brokerage, fees and duties.

**(h) Inventories**

Inventories are valued at the lower of 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. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. 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) Revenue Recognition****Sales of Goods**

Sales are recognised, net of returns including estimated returns where applicable, and trade discounts, sales tax and value added tax, on dispatch of goods to customers. 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, sales include price concession, as notified under the Concession Scheme, or as estimated by the Management based on the norms prescribed.

**Income from Services**

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

**(j) Other Income**

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

**(k) Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**(l) Research and Development Expenses**

Revenue expenditure pertaining to research and development is charged to the Consolidated Statement of Profit and Loss. Expenditure on tangible/intangible fixed assets used in research and development is capitalised.

**(m) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

**(n) 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.

## NOTES forming part of Consolidated Financial Statements (contd.)

### (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.

##### (i) Post-employment benefit plans

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

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, directors' pension liabilities and family benefit scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss 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 Consolidated 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, in substance a defined contribution 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 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 and fixed additional dearness allowance for employees in the workmen category. The Company accounts for the liability for family benefit scheme payable in future based on an independent actuarial valuation carried out at each Balance Sheet date.

##### (ii) Short-term employee benefits

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

The cost of compensated absences is accounted as under:

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

##### (iii) Long-term employee benefits

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

#### (B) In respect of overseas subsidiaries and joint ventures

The liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries (note 29 (iv)).

**NOTES** forming part of Consolidated Financial Statements (contd.)

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) Employee Separation Compensation**

- (i) Compensation payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected. The liability has been calculated on the basis of net present value of the future payments of pension.
- (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 Consolidated Statement of Profit and Loss in the year of separation.

**(q) Finance 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 Consolidated Statement of Profit and Loss, 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.

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**(r) Foreign Currency Transactions and Translation**

- (i) Foreign currency transactions (other than derivatives) of the Company and its net investment in non-integral foreign operations are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities (other than derivatives) of the Company and its net investment in non-integral foreign operations as at the Balance Sheet date are restated at the year end rates and the resultant net gains or losses are recognised as income or expense in the Consolidated Statement of Profit and Loss 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.

During the year ended 31st March, 2012, the Company had exercised the option granted vide notification F.No.17/133/2008/CL-V dated 29th December, 2011 issued by the Ministry of Corporate Affairs and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items have been recognised over the shorter of the loan repayment period and 31st March, 2020. 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, related to monetary items which are not intended for trading or speculation purposes, are amortised over the period of the contract.

**(s) 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 and liabilities, raw material requirements and firm commitments, and highly probable transactions. Derivative contracts which are closely linked to the underlying transaction are recognised in accordance with the contract terms and accounted as per the policy stated for foreign currency transactions and translation. All other contracts are marked-to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

**(t) Government Grants**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the

## NOTES forming part of Consolidated Financial Statements (contd.)

company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of the depreciable assets by way of a reduced depreciation charge. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs which they are intended to compensate on a systematic basis.

### (u) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. 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".

### (v) 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, 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.

### (w) 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.

### (x) 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.

### (y) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### (z) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## NOTES forming part of Consolidated Financial Statements (contd.)

				As at 31-Mar-2013
	Number of shares	₹ in crore	Number of shares	₹ in crore
<b>NOTE 3</b>	<b>SHARE CAPITAL</b>			
<b>1. Authorised:</b>				
Ordinary shares of ₹ 10 each	<b>27,00,00,000</b>	<b>270.00</b>	27,00,00,000	270.00
<b>2. Issued:</b>				
Ordinary shares of ₹ 10 each	<b>25,48,42,598</b>	<b>254.84</b>	25,48,42,598	254.84
<b>3. Subscribed and fully paid up:</b>				
Ordinary shares of ₹ 10 each	<b>25,47,56,278</b>	<b>254.76</b>	25,47,56,278	254.76
<b>4. Forfeited Shares:</b>				
Amount originally paid-up on forfeited shares	<b>86,320</b>	<b>0.06</b>	86,320	0.06
		<b>254.82</b>		254.82

## Footnotes:

- (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

				As at 31-Mar-2013
	Number of shares	₹ in crore	Number of shares	₹ in crore
<b>Issued share capital:</b>				
Ordinary shares:				
At the beginning of the year	<b>25,48,42,598</b>	<b>254.84</b>	25,48,42,598	254.84
<b>Outstanding at the end of the year</b>	<b>25,48,42,598</b>	<b>254.84</b>	25,48,42,598	254.84
<b>Subscribed and fully paid up:</b>				
Ordinary shares:				
At the beginning of the year	<b>25,47,56,278</b>	<b>254.76</b>	25,47,56,278	254.76
<b>Outstanding at the end of the year</b>	<b>25,47,56,278</b>	<b>254.76</b>	25,47,56,278	254.76

- (b) The Company has issued one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

- (c) Details of shares held by each shareholder holding more than 5 % of shares:

	Number of shares	% Age	Number of shares	% Age
<b>Ordinary shares with voting rights</b>				
(i) Tata Sons Ltd.	<b>4,93,06,423</b>	<b>19.35</b>	4,93,06,423	19.35
(ii) Tata Investment Corporation Ltd.	<b>1,57,53,501</b>	<b>6.18</b>	1,57,53,501	6.18
(iii) Life Insurance Corporation of India.	<b>1,61,51,552</b>	<b>6.34</b>	1,56,76,405	6.15

## NOTES forming part of Consolidated Financial Statements (contd.)

- (d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and pursuant to schemes of amalgamation\*:

	Number of shares	Number of shares
Ordinary shares with voting rights		
(i) Scheme of amalgamation		
(a) Hind Lever Chemicals Limited	3,44,64,000	3,44,64,000
(b) Tata Fertilisers Ltd	42,49,864	42,49,864
(ii) Contract without payment being received in cash	37,000	37,000
(iii) Bonus Shares by way of capitalisation of		
(a) Securities premium account	9,29,70,000	9,29,70,000
(b) General reserve	1,24,32,144	1,24,32,144

\* No such shares have been issued during previous five years.

NOTE 4 RESERVES AND SURPLUS	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>1. Capital reserve:</b>		<b>0.66</b>	0.66
Balance as per last account		0.66	
<b>2. Capital redemption reserve:</b>		<b>0.10</b>	0.10
Balance as per last account		0.10	
<b>3. Securities premium:</b>		<b>1,258.89</b>	1,258.89
Balance as per last account		1,258.89	
<b>4. Debenture redemption reserve:</b>			
Balance as per last account	277.50		265.00
Add: Transferred from statement of profit and loss	-		12.50
Less: Transferred to General reserve	(37.50)		-
		<b>240.00</b>	277.50
<b>5. Foreign currency monetary item translation difference account (net of taxes): (footnote 'a' below)</b>			
Balance as per last account	(58.77)		(81.72)
Add: Effect of foreign exchange rate variation during the year	-		(90.03)
Less: Charge off / amortisation for the year	58.77		112.98
		-	(58.77)
<b>6. Foreign currency translation reserve (FCTR):</b>			
Balance as per last account	821.27		747.55
Add: Net adjustments during the year	438.33		73.72
		<b>1,259.60</b>	821.27
<b>7. Surplus on amalgamation:</b>		<b>20.07</b>	20.07
Balance as per last account		20.07	
<b>8. General reserve:</b>			
Balance as per last account	1,173.13		1,096.86
Add: Transferred from statement of profit and loss	58.24		-
Add: Transferred from Debenture redemption reserve	37.50		76.27
		<b>1,268.87</b>	1,173.13
<b>9. Actuarial gains / (losses) (net of tax) (note 29(iv)(d)):</b>			
Balance as per last account	(432.40)		(315.48)
(Add)/Less: Net adjustments during the year	77.36		(116.92)
Add: Exchange effect during the year	(90.79)		-
		<b>(445.83)</b>	(432.40)

## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>10. Other Reserves:</b>			
Balance as per last account	11.59		11.19
Add: Net adjustments during the year	1.11		0.40
		12.70	11.59
<b>11. Surplus in statement of profit and loss:</b>			
Balance as per last account	3,086.70		3,078.33
Add: (Loss) / Profit for the year	(1,032.00)		400.40
Less:			
(a) Dividends proposed to be distributed to equity shareholders (₹ 10 per share)	(254.76)		(254.76)
(b) Tax on dividend	(44.96)		(48.50)
(c) Transfer to general reserve	(58.24)		(76.27)
(d) Transfer to debenture redemption reserve	-		(12.50)
(e) Transfer to other reserves	(1.11)		-
		1,695.63	3,086.70
		5,310.69	6,158.74

## Footnote:

- (a) The External Commercial Borrowing (ECB) of USD 190 million has been repaid during the year ended 31st March, 2014. Consequent to which, the unamortised "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) has been charged off during the year. The charge to the Statement of Profit and Loss is classified as "Exceptional Item".

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 5 LONG-TERM BORROWINGS</b>			
<b>1. Debentures:</b>			
(a) Unsecured (footnote 'a' below)		250.00	250.00
<b>2. Term loans (secured):</b>			
(a) From Banks		4,692.22	4,004.47
<b>3. Finance lease obligations (secured)</b>		0.47	1.35
<b>4. Other loans and advances (unsecured)</b>			
(a) From banks			
(i) External commercial borrowing (footnote 'b' below)	1,485.43		822.92
(ii) Others (footnote 'c' below)	446.62		237.97
	1,932.05		1,060.89
(b) 6.44% Senior notes due in 2017	-		135.16
(c) From others	35.02		9.11
		1,967.07	1,205.16
		6,909.76	5,460.98

## Footnotes:

- (a) 10% Unsecured Redeemable Non-convertible Debentures of a face value ₹ 10 lakh each redeemable at par on 2nd July, 2019.
- (b) The external commercial borrowing is due for repayments on 21st October, 2016 ₹ 315.66 crore (USD 60 million), on 23rd October, 2017 ₹ 389.78 crore (USD 63.27 million), on 22nd October, 2018 ₹ 390.06 crore (USD 63.27 million) and on 21st October, 2019 ₹ 389.93 crore (USD 63.46 million).
- (c) The Group has entered into an agreement with Department of Biotechnology (DBT) for a project on boosting crop health and yield. DBT has approved a loan of ₹ 0.15 crore (previous year ₹ 0.15 crore). The group has received two instalments of this loan aggregating to ₹ 0.08 crore (previous year ₹ 0.08 crore). The loan is repayable in 10 equal half yearly instalments beginning from 1st July, 2015.

## NOTES forming part of Consolidated Financial Statements (contd.)

### NOTE 6 DEFERRED TAXES

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied under the same governing taxation laws. On this basis the net deferred tax assets and deferred tax liabilities disclosed in the balance sheet are as under:

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>1. Deferred tax assets:</b>			
(a) Provision for employee benefits	133.77		268.55
(b) Depreciation	(112.05)		(30.10)
(c) Other timing differences	64.20		(79.43)
	<b>85.92</b>		159.02
<b>2. Deferred tax liability:</b>			
(a) Provision for doubtful debts and advances	23.31		24.78
(b) Provision for employee benefits	97.30		18.34
(c) Exchange differences			137.11
(d) Depreciation	(364.82)		(336.47)
(e) Other timing differences	(32.71)		2.79
	<b>(276.92)</b>		(153.45)
	<b>₹ in crore</b>	<b>₹ in crore</b>	As at 31-Mar-2013 ₹ in crore

### NOTE 7 OTHER LONG-TERM LIABILITIES

<b>1. Other liabilities:</b>			
(a) Pension payable on Employee Separation Scheme	0.54		0.61
(b) Other payables	294.43		261.80
		<b>294.97</b>	262.41
		<b>294.97</b>	262.41
			As at 31-Mar-2013 ₹ in crore
		<b>₹ in crore</b>	₹ in crore

### NOTE 8 LONG-TERM PROVISIONS

1. Provision for employee benefits	1,115.41	1,143.44
2. Provision for site restoration expenditure (note 29(vi))	227.68	51.08
	<b>1,343.09</b>	1,194.52

## NOTES forming part of Consolidated Financial Statements (contd.)

		As at 31-Mar- 2013	
		₹ in crore	₹ in crore
<b>NOTE 9</b>	<b>SHORT-TERM BORROWINGS</b>		
<b>1. Loans repayable on demand:</b>			
(a) Secured			
From Banks:			
(i) Cash credits (footnote 'a' below)	9.09		8.41
(ii) Loans against subsidy receivables (footnote 'b' below)	326.10		179.63
		<b>335.19</b>	188.04
(b) Unsecured - From Banks		-	15.00
<b>2. Other loans and advances:</b>			
(a) Secured			
From Banks: Term loan	160.67		90.53
(b) Unsecured			
From Banks:			
(i) Buyer's credit	963.99		1,196.10
		<b>1,124.66</b>	1,286.63
		<b>1,459.85</b>	1,489.67

**Footnotes:**

- (a) Loans from banks on cash credit are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.
- (b) The Department of Fertilizers, Government of India, has notified "Special Banking Arrangement" scheme to address the concern of delay in subsidy disbursement. This arrangement has been made by the Government with State Bank of India Consortium (SBI Consortium). Loans under this scheme are secured by hypothecation of subsidy receivables.

		As at 31-Mar- 2013	
		₹ in crore	₹ in crore
<b>NOTE 10</b>	<b>TRADE PAYABLES</b>		
<b>1.</b>	Acceptances (Supplier's credit)	671.30	599.97
<b>2.</b>	Trade payables other than acceptances	1,513.40	1,313.95
<b>3.</b>	Other payables	240.85	209.67
		<b>2,425.55</b>	2,123.59

## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 11 OTHER CURRENT LIABILITIES</b>			
<b>1. Current maturities of long-term debts:</b>			
(a) Debentures			
Secured	-		315.00
(b) Other loans and advances			
Unsecured			
(i) External commercial borrowing	-		1,019.26
(ii) From others	<b>21.27</b>		95.37
		<b>21.27</b>	1,429.63
<b>2. Current maturities of Finance Lease obligation</b>		<b>2.18</b>	3.72
<b>3. Interest accrued but not due on borrowings</b>		<b>70.23</b>	70.38
<b>4. Liability towards investor protection fund:</b>			
(a) Unclaimed dividends	<b>12.83</b>		11.80
(b) Unclaimed debentures and interest	<b>0.01</b>		0.01
		<b>12.84</b>	11.81
<b>5. Deposits</b>		<b>52.91</b>	47.12
<b>6. Other payables:</b>			
(a) Advances received from customers	<b>87.76</b>		106.51
(b) Creditors for capital goods	<b>31.40</b>		33.59
(c) Other liabilities (footnote 'a' below)	<b>380.43</b>		377.10
		<b>499.59</b>	517.20
		<b>659.02</b>	2,079.86

### Footnote:

- (a) The Company had entered into an agreement with Department of Science and Technology for creation of capital assets for Sulphate of Potash (SOP) Project. For the above Project, the Company has received three instalments of Government Grant aggregating ₹ 14.40 crore and earned an amount of ₹ 0.54 crore (previous year ₹ 0.49 crore) as interest on unutilised grant. The Company has spent an amount of ₹ 14.85 crore and the net balance of ₹ 0.09 crore (previous year net balance ₹ 1.64 crore).

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 12 SHORT-TERM PROVISIONS</b>			
<b>1. Provision for employee benefits</b>		<b>98.64</b>	82.31
<b>2. Others:</b>			
(a) Proposed dividend	<b>254.76</b>		254.76
(b) Tax on dividend	<b>43.30</b>		39.66
(c) Provision for tax (net of advances)	<b>33.89</b>		25.11
(d) Provision for site restoration expenditure (note 29(vi))	<b>131.54</b>		119.46
(e) Others (note 29(vi))	<b>58.38</b>		3.53
		<b>521.87</b>	442.52
		<b>620.51</b>	524.83



## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	As at 31-Mar- 2013 ₹ in crore
<b>NOTE 14 NON-CURRENT INVESTMENTS</b>		
Investments (At cost):		
Trade Investments in		
(a) Equity shares fully paid (Quoted)	113.67	113.67
(b) Investment in associate (Quoted)(note 29(xii))	211.89	196.24
(c) Equity shares fully paid (Unquoted)	288.16	287.66
(d) Debentures and bonds	2.89	2.89
	<b>616.61</b>	600.46
Less: Provision for diminution in value of investments	182.40	2.09
	<b>434.21</b>	598.37

	Book Value ₹ in crore	Market Value ₹ in crore	Book Value ₹ in crore	Market Value ₹ in crore
Aggregate of Quoted Investments (net of provision)	145.25	1,304.99	309.91	1,298.56
Aggregate of Unquoted Investments (net of provision)	288.96	-	288.46	-

	₹ in crore	₹ in crore	As at 31-Mar- 2013 ₹ in crore
<b>NOTE 15 LONG-TERM LOANS AND ADVANCES</b>			

### 1. Unsecured-considered good:

(a) Capital advances	10.19	13.17
(b) Security deposits (deposits with Government, public bodies and others)	31.46	27.46
(c) Advance payment of taxes (net of provision)	348.87	284.58
(d) Other loans and advances	100.23	123.46
	<b>490.75</b>	448.67

### 2. Doubtful:

(a) Advances recoverable in cash/kind	0.21	0.32
Less: Provision for advances recoverable in cash/kind	0.21	0.32
	-	-
	<b>490.75</b>	448.67

	₹ in crore	As at 31-Mar- 2013 ₹ in crore
<b>NOTE 16 OTHER NON-CURRENT ASSETS</b>		

1. Long-term trade receivables	219.48	184.60
2. Others	42.67	45.66
	<b>262.15</b>	230.26

## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 17 CURRENT INVESTMENTS</b>		
<b>1. Current investments (unquoted):</b>		
(a) Fully paid Equity	0.25	0.25
(b) Units of mutual funds	6.42	1.04
	<b>6.67</b>	1.29
		As at 31-Mar-2013
	₹ in crore	₹ in crore
<b>NOTE 18 INVENTORIES</b>		
1. Raw materials	635.69	614.29
2. Work-in-process	91.50	71.85
3. Finished goods	384.57	481.45
4. Stock-in-trade (acquired for trading)	176.03	167.43
5. Stores and spare parts, packing materials	361.25	266.80
	<b>1,649.04</b>	1,601.82
		As at 31-Mar-2013
	₹ in crore	₹ in crore
<b>NOTE 19 TRADE RECEIVABLES</b>		
<b>1. Over six months old from due date:</b>		
(a) Secured, considered good	0.06	0.05
(b) Unsecured, considered good	647.13	699.37
(c) Unsecured, considered doubtful	30.82	32.60
	<b>678.01</b>	732.02
(d) Less: Provision for doubtful trade receivables	30.82	32.60
	<b>647.19</b>	699.42
<b>2. Others:</b>		
(a) Secured, considered good	3.91	7.72
(b) Unsecured, considered good	2,614.78	2,732.95
(c) Unsecured, considered doubtful	1.20	1.09
	<b>2,619.89</b>	2,741.76
(d) Less: Provision for doubtful trade receivables	1.20	1.09
	<b>2,618.69</b>	2,740.67
	<b>3,265.88</b>	3,440.09

**Footnote:**

- (a) Trade receivables include ₹ 1,794.89 crore (previous year ₹ 1,752.63 crore) on account of subsidy receivable from the Government, of this an amount of ₹ 620.53 crore (previous year ₹ 513.25 crore) is due for more than six months.

## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2013 ₹ in crore
<b>NOTE 20 CASH AND BANK BALANCE</b>			
<b>1. Balances with banks in:</b>			
(a) Current accounts	665.41		770.60
(b) Deposit accounts (with original maturity less than 3 months)	1,022.34		1,068.73
		<b>1,687.75</b>	1,839.33
<b>2.</b> Cheques, drafts on hand		<b>64.87</b>	1.59
<b>3.</b> Cash on hand		<b>0.38</b>	0.43
		<b>1,753.00</b>	1,841.35
<b>Footnotes:</b>			
(a) Earmarked balance with banks		<b>12.93</b>	13.39
(b) Cash and cash equivalents as defined in Accounting Standard (AS) 3 Cash flow statement		<b>1,740.07</b>	1,827.96
			As at 31-Mar-2013 ₹ in crore
	₹ in crore	₹ in crore	₹ in crore

## NOTE 21 SHORT-TERM LOANS AND ADVANCES

<b>1. Unsecured, considered good:</b>			
(a) Balances with government, public bodies and others		<b>330.15</b>	103.88
(b) Advance payment of taxes (net of provision)		<b>44.03</b>	30.65
(c) Receivables from employees		<b>2.99</b>	1.72
(d) Other advances			
(i) Considered good	293.67		380.14
(ii) Considered doubtful	45.23		45.23
	<b>338.90</b>		425.37
(iii) Less: Provision for doubtful advances	45.23		45.23
		<b>293.67</b>	380.14
		<b>670.84</b>	516.39
			As at 31-Mar-2013 ₹ in crore
		₹ in crore	₹ in crore

## NOTE 22 OTHER CURRENT ASSETS

<b>1.</b> Interest accrued on investments		<b>3.46</b>	2.84
<b>2.</b> Claims receivable		<b>31.96</b>	12.50
<b>3.</b> Other current assets		<b>81.95</b>	89.06
		<b>117.37</b>	104.40

## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 23 REVENUE FROM OPERATIONS</b>			
<b>1. Sales:</b>			
(a) Sales (footnote 'a' below)		<b>16,077.34</b>	14,894.13
<b>2. Operating income:</b>			
(a) Town income	<b>2.45</b>		2.32
(b) Liabilities no longer required - written back	<b>16.68</b>		38.30
(c) Insurance claims	<b>0.13</b>		5.23
(d) Miscellaneous income	<b>140.89</b>		94.35
		<b>160.15</b>	140.20
		<b>16,237.49</b>	15,034.33

**Footnote:**

(a) Sales include subsidy income of ₹ 2,429.32 crore (previous year ₹ 2,410.95 crore).

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 24 OTHER INCOME</b>			
<b>1. Dividend income:</b>			
(a) Income from current investments	<b>50.84</b>		48.48
(b) Income from long-term trade investments	<b>25.35</b>		30.36
		<b>76.19</b>	78.84
<b>2. Interest income on:</b>			
(a) Current investments	<b>5.10</b>		5.84
(b) Bank deposits	<b>16.79</b>		7.68
(c) Other advances	<b>1.45</b>		0.52
(d) Refund of taxes	<b>42.86</b>		3.10
		<b>66.20</b>	17.14
<b>3. Net Gain on Sale of Current investments</b>		<b>0.03</b>	0.02
<b>4. Foreign currency fluctuation realised (footnote 'a' below)</b>		-	245.14
<b>5. Profit on sale of fixed assets (net)</b>		-	76.64
		<b>142.42</b>	417.78

**Footnote:**

(a) During the previous year, foreign currency translation differences were realised consequent to redemption of the Company's Investment of 17,28,489 and 2,20,161 Non-Cumulative Redeemable Preference Shares of USD 100 each in Bio Energy Venture -1(Mauritius) Pvt. Ltd. and Homefield International Pvt. Ltd., Mauritius respectively, its wholly owned subsidiaries, amounting to ₹ 245.14 crore, arising on foreign currency fluctuation.

## NOTES forming part of Consolidated Financial Statements (contd.)

	₹ in crore	Previous year ₹ in crore
<b>NOTE 25 EMPLOYEE BENEFITS EXPENSE</b>		
1. Salaries, wages and bonus	945.17	847.18
2. Contribution to provident and other funds	95.57	114.00
3. Contribution to group insurance scheme	0.03	0.04
4. Workmen and staff welfare expenditure	173.76	164.31
	<b>1,214.53</b>	<b>1,125.53</b>
		Previous year
	₹ in crore	₹ in crore
<b>NOTE 26 FINANCE COSTS</b>		
1. Interest expenses:		
(a) Debentures and fixed loans	403.83	381.39
(b) Other loans	31.97	29.51
(c) Others	15.23	12.84
	<b>451.03</b>	<b>423.74</b>
2. Discounting and other charges	128.26	40.17
	<b>579.29</b>	<b>463.91</b>
		Previous year
	₹ in crore	₹ in crore
<b>NOTE 27 OTHER EXPENSES</b>		
1. Stores and spare parts consumed	292.05	263.02
2. Packing materials consumed	395.15	348.94
3. Power and fuel	2,156.23	1,681.15
4. Repairs - Buildings	9.04	7.65
- Machinery	399.99	358.29
- Others	4.35	4.53
5. Rent	169.09	124.01
6. Royalty, rates and taxes	258.84	206.33
7. Excise duty adjustment for stocks (net)	2.75	1.67
8. Commission, discount and distributors' service charges	118.21	84.63
9. Sales promotion expenses	242.48	195.83
10. Insurance charges	43.89	38.16
11. Freight and forwarding charges	1,831.92	1,637.65
12. Provision for Doubtful debts and advances (net)	4.71	3.28
13. Loss on assets sold or discarded	4.44	-
14. Foreign exchange (gain) / loss (net)	104.52	186.45
15. Directors' fees / commission	11.37	10.03
16. Other provisions	0.56	5.75
17. Others	559.02	452.08
	<b>6,608.61</b>	<b>5,609.45</b>

## NOTES forming part of Consolidated Financial Statements (contd.)

	Previous year	
	₹ in crore	₹ in crore
<b>NOTE 28</b>	<b>EXCEPTIONAL ITEMS</b>	
1. Compensation on voluntary retirement	-	0.09
2. Impairment of assets (net of Reversal) (footnote 'a' below)	<b>983.68</b>	471.55
3. Exchange loss (net) on foreign currency long term borrowings including revaluation thereof	<b>158.47</b>	167.25
4. Restructuring costs for overseas operations (footnote 'b' below)	<b>242.28</b>	30.98
5. Provision for diminution in the value of investments (footnote 'c' below)	<b>180.31</b>	-
6. Others (footnote 'd' below)	<b>(144.53)</b>	-
	<b>1,420.21</b>	669.87

## Footnotes:

- (a) The Company has recognised a non-cash write down of assets (including capital work-in-progress) of ₹ 59.30 crore. The impairment is primarily relating to certain cash generating units in the "Fertilisers" segment ₹ 44.30 crore and "Others" segment ₹ 15.00 crore, primarily due to the demand falling short of expectations for certain products. The demand is not expected to pick up to the originally anticipated levels in the near and medium term, and has led to a downward revision in the cash flow expectations from the product line.

In addition, the Group has recognised a non-cash written down of goodwill and assets aggregating to ₹ 924.38 crore. The impairment of assets represents the non-cash write down of goodwill ₹ 619.77 crore and other assets (including capital work-in-progress) ₹ 304.61 crore, primarily relating to the Group's Kenyan operations. The impairment is primarily on account of high energy costs at the plant in Kenya which has ultimately led to downward revision of cash flow projections of the Kenya business (₹ 97.14 crore and ₹ 374.41 crore for the quarter and year ended 31st March, 2013 primarily relating to the European operations).

The discounting rates used for the value in use calculations are based on the risk-adjusted weighted average cost of capital and are in the range of 10% - 14%.

- (b) A provision of ₹ 242.28 crore (previous year ₹ 30.98 crore) towards costs associated with the restructuring of operations of Tata Chemicals Europe Limited.
- (c) Provision of ₹ 180.31 crore has been made in view of the significant decline in the value of the Group's investments in EPM Mining Ventures Inc. "EPM" as the quoted price of the investment has remained significantly lower than the carrying value for a considerable period of time.
- (d) Others comprises of Gain on termination of a supply contract ₹ 160.96 crore and Provision in respect of dues from regulatory agencies which have been contested by the Group ₹ 16.43 crore.

		2013-14	2012-13
<b>NOTE 29</b>	<b>OTHER NOTES</b>		
(i)	<b>Earnings Per Share (EPS):</b>		
(a)	(Loss) / profit for the year	₹ in crore	(1,032.00)
(b)	The weighted average number of equity shares of ₹ 10 each		400.40
	Total number of shares	Nos.	<b>25,47,56,278</b>
(c)	Earnings Per Share ( face value per share ₹ 10 )	₹	25,47,56,278
		<b>(40.51)</b>	15.72

## NOTES forming part of Consolidated Financial Statements (contd.)

### (ii) Segment information:

#### (a) Information about primary business segments:

(₹ in crore)

	Inorganic chemicals		Fertilisers		Other agri inputs		Others		Elimination		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenue (net of excise):</b>												
External	8,029.22	7,365.21	5,508.08	5,436.58	2,023.51	1,679.94	174.47	89.09	-	-	15,735.28	14,570.82
Inter-segment	138.34	133.87	-	-	-	-	-	-	(138.34)	(133.87)	-	-
Total revenue	8,167.56	7,499.08	5,508.08	5,436.58	2,023.51	1,679.94	174.47	89.09	(138.34)	(133.87)	15,735.28	14,570.82
<b>Result:</b>												
Segment result	(21.17)	788.09	230.34	361.81	249.07	200.15	(78.02)	(47.92)	-	-	380.22	1,302.13
Unallocated expenditure net of unallocated income											319.82	(74.81)
Finance costs											579.29	463.91
<b>(Loss) / Profit before Tax</b>											<b>(518.89)</b>	913.03
Tax Expense											<b>(288.78)</b>	(302.52)
<b>(Loss) / Profit after tax before minority interest and share of loss in associate</b>											<b>(807.67)</b>	610.51

#### Other Information:

(₹ in crore)

	Inorganic chemicals		Fertilisers		Other agri inputs		Others		Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment assets	12,728.41	12,486.53	3,637.52	3,646.24	1,582.13	1,494.62	185.35	180.69	2,076.99	2,430.93	20,210.40	20,239.01
Segment liabilities	3,180.46	2,934.79	1,058.31	869.70	495.20	403.67	38.11	23.62	9,217.59	9,057.53	13,989.67	13,289.31
Capital expenditure	445.54	406.22	73.21	105.95	58.73	40.64	39.26	11.70	24.40	16.08	641.14	580.59
Depreciation and amortisation	351.65	379.90	63.04	111.97	40.66	31.53	10.94	5.56	4.95	4.92	471.24	533.88
Impairment of assets (net of reversal)	924.38	483.98	59.30	0.89	-	-	-	(13.32)	-	-	983.68	471.55
Provision for diminution in the value of investments	-	-	-	-	-	-	-	-	180.31	-	180.31	-
Restructuring cost for overseas operations	242.28	30.98	-	-	-	-	-	-	-	-	242.28	30.98
Amortisation of foreign currency monetary item translation difference	-	-	-	-	-	-	-	-	158.47	167.25	158.47	167.25
Others	(144.53)	-	-	-	-	-	-	-	-	-	(144.53)	-
Other non-cash Expenses	2.43	0.76	0.67	2.52	1.55	-	0.06	-	-	-	4.71	3.28

#### (b) Information about secondary geographical segments:

(₹ in crore)

	Asia		Europe		Africa		America		Others		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
External revenue	10,237.42	9,643.66	1,831.32	1,628.34	836.87	613.74	2,770.49	2,630.43	59.18	54.65	15,735.28	14,570.82
Segment assets	8,837.99	9,017.04	2,654.17	3,112.51	536.87	878.33	8,144.31	7,194.61	37.06	36.52	20,210.40	20,239.01
Capital expenditure	248.22	272.66	187.50	68.76	74.96	41.70	130.46	197.47	-	-	641.14	580.59

#### (c) Notes:

- (i) Management has identified three reportable business segments, namely:
- Inorganic chemicals: comprising soda ash, marine chemicals, caustic soda, cement, bulk chemicals and salt.
  - Fertilisers: comprising fertilisers including urea and phosphatic.
  - Other agri inputs: comprising 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.

**NOTES** forming part of Consolidated Financial Statements (contd.)

- (ii) The geographical segments revenue are disclosed on the basis of sales as follows:
- Asia: comprising sales to customers located in Asia.
  - Europe: comprising sales to customers located in Europe
  - Africa: comprising sales to customers located in Africa.
  - America: comprising 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.

**(iii) Related party disclosure:****(a) Related Parties and their relationship (As identified by the Management)**

<b>Joint Ventures</b>	<b>Key Management Personnel</b>
<b>Direct</b>	Mr. R. Mukundan, Managing Director
Indo Maroc Phosphore S. A., Morocco	Mr. P. K. Ghose, Executive Director & CFO
<b>Indirect</b>	<b>Promoter Group</b>
Alcad, United State of America	Tata Sons Limited
Kemex B.V., Netherlands	(Holding more than 20% shares
JOil (S) Pte. Ltd., Singapore	alongwith its subsidiary)
The Block Salt Company Limited, United Kingdom	
Natronx Technologies LLC, United States of America	
Khet-Se Agriproduce India Private Limited ceased to be a joint venture with effect from 26th March, 2013	

**(b) Transactions with related parties during the year ended 31st March, 2014 and balances outstanding as at 31st March, 2014**

	Indo Maroc Phosphore S.A.	Kemex B.V.	Alcad	The Block Salt Company Limited	Natronx Technologies LLC	Key Management Personnel	Tata Sons Limited	Total
Purchase of goods	460.42	-	82.34	4.43	0.11	-	-	547.30
(includes stock in transit) - net	487.37	-	73.57	4.10	0.24	-	-	565.28
Other services	-	-	-	-	-	-	34.25	34.25
	-	-	-	-	-	-	30.99	30.99
Amount payable (in respect of goods purchased and other services)	200.87	-	10.94	0.54	0.02	-	34.32	246.69
	218.51	-	6.27	0.77	0.06	-	31.17	256.78
Amount receivable (in respect of loans and interest thereon)	-	0.34	-	-	-	0.01	-	0.35
	-	0.28	-	-	-	0.01	-	0.29
Maximum amount of loan outstanding during the year	-	0.34	-	-	-	0.01	-	0.35
	-	0.28	-	-	-	0.01	-	0.29
Provision for management services	0.15	-	-	0.10	0.72	-	-	0.97
	0.10	-	-	0.08	0.73	-	-	0.91
Managerial Remuneration*	-	-	-	-	-	6.22	-	6.22
	-	-	-	-	-	5.93	-	5.93

**Notes:**

1. \* Managerial remuneration includes salaries and commission to the Managing Director and Whole-time Directors.
2. The figures in light print are for previous year.

**(iv) Employee benefits obligations:**

- (a) The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan and towards pension 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.

On account of the above Contribution Plans, a sum of ₹ 17.34 crore (previous year ₹ 16.68 crore) has been charged to the Consolidated Statement of Profit and Loss.

## NOTES forming part of Consolidated Financial Statements (contd.)

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

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31st March, 2014. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- (c) 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.

- (d) 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 Consolidated Statement of Profit and Loss, the consolidated net (loss) / profit before tax and net (loss) / profit after tax and minority interest would have been higher / (lower) by amounts as per table below .

Sr. No.	Impact on:	Year Ended	
		31st March, 2014	31st March, 2013
1	Consolidated net (loss) / profit before tax	140.95	(155.34)
2	Consolidated net (loss) / profit after tax and minority interest	77.36	(116.92)

(₹ in crore)

The following tables set out the funded status and amounts recognised in the Group's financial statements as at 31st March, 2014 for the Defined Benefits Plans.

	Year Ended							
	31st March, 2014				31st March, 2013			
	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	As at 31st March, 2014				As at 31st March, 2013			
<b>(I) Changes in the defined benefit obligation:</b>								
Projected defined benefit obligation								
At the beginning of the year	86.35	77.51	3,397.65	196.41	79.21	61.12	2,935.95	173.94
Current service cost	5.80	3.66	34.50	2.15	5.29	3.40	33.05	1.88
Interest cost	7.02	6.35	165.07	9.20	6.72	5.26	152.64	8.96
Net actuarial (gain) / loss	(5.32)	(3.05)	(172.89)	(0.02)	3.38	12.89	327.80	10.65
Benefits paid	(6.47)	(3.47)	(155.70)	(10.35)	(8.06)	(4.93)	(124.53)	(11.51)
Transfer in / transfer out	(0.22)	-	-	-	(0.19)	-	-	-
Past service cost	-	-	-	(23.91)	-	-	-	-
Effect of curtailment	-	-	(10.61)	-	-	-	-	-
Exchange variation	-	-	595.37	20.55	-	-	72.74	11.61
Retiree drug subsidy reimbursement	-	-	-	1.81	-	-	-	0.88
Recognised / derecognised on acquisition / disposal	-	-	-	-	-	(0.23)	-	-
<b>At the end of the year</b>	<b>87.16</b>	<b>81.00</b>	<b>3,853.39</b>	<b>195.84</b>	<b>86.35</b>	<b>77.51</b>	<b>3,397.65</b>	<b>196.41</b>
<b>(II) Changes in the fair value of plan assets:</b>								
Fair value of plan assets								
At the beginning of the year	89.46	-	2,502.13	-	73.48	-	2,136.29	-
Expected return on plan assets	7.32	-	161.17	-	6.22	-	133.54	-
Employer's contributions	3.51	2.64	128.78	10.35	11.91	4.92	129.65	11.51
Net actuarial gain / (loss)	(0.14)	-	(43.66)	-	6.10	-	160.68	-
Benefits paid	(6.47)	(2.64)	(155.70)	(10.35)	(8.06)	(4.92)	(124.53)	(11.51)
Transfer in / transfer out	(0.22)	-	-	-	(0.19)	-	-	-
Exchange variation	-	-	436.97	-	-	-	66.50	-
<b>At the end of the year</b>	<b>93.46</b>	<b>-</b>	<b>3,029.69</b>	<b>-</b>	<b>89.46</b>	<b>-</b>	<b>2,502.13</b>	<b>-</b>
Effect of the limit in para 59(b)	(0.25)	-	-	-	(0.06)	-	-	-
<b>(Asset) / liability (net)</b>	<b>(6.05)</b>	<b>81.00</b>	<b>823.70</b>	<b>195.84</b>	<b>(3.05)</b>	<b>77.51</b>	<b>895.52</b>	<b>196.41</b>
Actual return on plan assets	7.18	-	117.51	-	12.32	-	294.22	-

## NOTES forming part of Consolidated Financial Statements (contd.)

	(₹ in crore)							
	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
<b>(III) Net employee benefit expense (recognised in Employee cost) for the year:</b>								
Current service cost	5.80	3.66	34.50	2.15	5.29	3.40	33.05	1.88
Interest defined benefit obligation	7.02	6.35	165.07	9.20	6.72	5.25	152.64	8.96
Expected return on plan assets	(7.32)	-	(161.17)	-	(6.22)	-	(133.54)	-
Net actuarial (gain) / loss recognised in the year	(5.18)	(3.05)	33.51	(0.32)	(2.72)	12.89	28.52	(0.29)
Past service cost	-	-	-	(23.91)	-	-	-	-
Effect of curtailment	-	-	(10.61)	-	-	-	-	-
Effect of the limit in para 59(b)	0.20	-	-	-	0.06	-	-	-
<b>Net benefit expense</b>	<b>0.52</b>	<b>6.96</b>	<b>61.31</b>	<b>(12.87)</b>	3.13	21.54	80.67	10.55
Net actuarial (gain) / loss recognised in reserves	-	-	(165.67)	0.30	-	-	144.40	10.94
Minority share in net actuarial (gain) / loss	-	-	24.42	-	-	-	-	-
Net actuarial (gain) / loss not recognised *	-	-	2.93	-	-	-	(5.80)	-

\* The Group has not recognised the actuarial surplus in case of one of its overseas subsidiary, amounting to ₹ (2.93) crore (previous year ₹ 5.80 crore) as it does not expect to benefit from reduced contributions or refunds from the scheme in the future.

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

	Domestic %		Overseas %	
	31st March, 2014		31st March, 2013	
Government securities	49	3	39	4
Corporate bonds	35	50	31	41
Equity shares of listed companies	6	44	4	43
Others	10	3	26	12
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**(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	9.05% to 9.40% p.a. 7.90% to 8.60% p.a.	9.05%	4.66%	4.52%	4.20%
Expected rate of return on plan assets	8.50% to 9.00% p.a. 8.50% to 9.00% p.a.	NA	7.00%	NA	5.45% to 7.05% p.a. 4.20%
Increase in compensation cost	10.0% for first year and 7.5% thereafter 7.5% for first year, 10% for second year and 7.5% thereafter	10.0% for first year and 7.5% thereafter 7.5% for first year, 10% for second year and 7.5% thereafter	Varies by plan Varies by plan	NA	NA
Healthcare cost increase rate	NA	8.00%	NA	8.50%	NA
Pension increase rate	NA	6.00%	NA	8.50%	NA
	NA	5.00%	NA	NA	2.40% to 3.60% p.a. 3.20%

- 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 inflation, seniority, promotion and other relevant factors.
- 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.
- The figures in light print are for the previous year.

## NOTES forming part of Consolidated Financial Statements (contd.)

- (v) 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 crore)														
	Khet-Se Agriproduce India Private Limited #		Indo Maroc Phosphore S.A.		Kemex B.V.		Alcad		Natronx Technologies LLC		JOil (S) Pte. Ltd.		The Block Salt Company Ltd.	
Country of Incorporation	India		Morocco		Netherlands		United States of America		United States of America		Singapore		United Kingdom	
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		33.33%		33.78%		50.00%	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Liabilities	-	-	103.58	106.50	0.51	0.42	14.07	6.27	3.62	8.59	1.41	1.18	1.99	1.53
Assets	-	-	302.41	299.18	0.94	0.78	14.07	8.71	119.09	103.34	38.17	45.19	3.74	2.81
Income	-	0.01	534.89	495.73	-	-	137.70	124.28	16.32	15.41	2.56	1.70	7.60	6.20
Expenditure	-	1.23	531.10	489.10	-	-	91.20	82.84	24.51	25.31	13.11	12.16	6.44	5.82
Profit/ (loss) after tax for the year	-	(1.22)	3.79	6.63	-	-	46.50	41.44	(8.19)	(9.90)	(10.52)	(10.46)	1.16	0.38
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital commitments	-	-	-	-	-	-	-	-	-	-	2.34	1.49	-	-

# Khet-Se Agriproduce India Private Limited ceased to be a joint venture with effect from 26th March, 2013.

- (vi) Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2014:

The company has made provision for various obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below.

(₹ in crore)												
	Warranty		Site restoration expenses		Provision for contingencies		Others		Total			
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Opening balance	0.10	0.15	170.54	139.93	-	14.13	3.53	5.60	174.17	159.82		
Add: Provision during the year	0.58	0.59	245.14	30.38	-	-	52.18	3.89	297.90	34.86		
Less: Payments / reversal during the year	(0.56)	(0.64)	(83.03)	(6.34)	-	(14.13)	-	(5.89)	(83.59)	(27.00)		
Add/(Less): Exchange difference	-	-	26.57	6.57	-	-	2.55	(0.08)	29.12	6.49		
<b>Closing balance</b>	<b>0.12</b>	<b>0.10</b>	<b>359.22</b>	<b>170.54</b>	<b>-</b>	<b>-</b>	<b>58.26</b>	<b>3.53</b>	<b>417.60</b>	<b>174.17</b>		

- (vii) Derivative instruments:

- (a) As at 31st March, 2014, the Group has the following derivative instruments outstanding:

					(in million)		
			Hedged Exposure		Currency	As at	As at
						2013-14	2012-13
Foreign Currency Exchange Contracts							
	USD / INR	Foreign Currency Loans			USD	160.89	220.34
	USD / INR	Foreign Currency Acceptances			USD	109.22	125.34
	USD / JPY	Foreign Currency Acceptances			USD	-	294.41
	USD / INR	Highly Probable Forecast Transactions			USD	50.67	25.38
	EUR / INR	Highly Probable Forecast Transactions			EUR	1.27	-
	CHF / INR	Highly Probable Forecast Transactions			CHF	0.33	-
	USD / INR	External Commercial Borrowing			USD	-	107.40
	USD / INR	Foreign Currency Receivable			USD	3.75	3.15
	AUD / USD	Foreign Currency Receivable			AUD	1.46	0.76
	JPY / INR	Foreign Currency Payable			JPY	185.00	-

## NOTES forming part of Consolidated Financial Statements (contd.)

				(in million)	
				As at	As at
				2013-14	2012-13
		Hedged Exposure	Currency		
Currency Option Contracts					
	USD / INR	Foreign Currency Acceptances	USD	-	2.15
	USD / INR	External Commercial Borrowing	USD	15.00	162.47
Commodity Forward Contracts					
	GBP	Fluctuation in Natural Gas	GBP	-	25.96
	USD	Fluctuation in Natural Gas	USD	6.01	-
Swaps					
Interest Rate Swap					
	USD	Floating Interest Rate Liability	USD	200.46	1.78
	GBP	Floating Interest Rate Liability	GBP	1.51	110.30
Full Currency Swap (exchange rate / interest rate)					
	USD / INR	External Commercial Borrowing	USD	235.00	45.00
Cross Currency Swap					
	USD / JPY	External Commercial Borrowing	USD	-	285.00
Coupon only Swap					
		External Commercial Borrowing	USD	15.00	15.00

(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 19.04 million (₹ 115.62 crore), EUR 0.07 million (₹ 10.68 crore) and AUD 1.93 million (₹ 0.55 crore)** (previous year USD 11.63 million (₹ 63.13 crore), EUR 0.05 million (₹ 0.32 crore) and AUD 0.54 million (₹ 3.02 crore)).
- (ii) Net Accounts receivable / (payable) **USD (7.02) million (₹ 105.01 crore), GBP (6.40) million (₹ (63.88) crore), EUR (0.05) million (₹ (0.41) crore) and JPY (255.06) million (₹ (14.81) crore)** (previous year USD 26.32 million (₹ 142.89 crore), GBP Nil, EUR Nil and JPY (31.74) million (₹ (1.83) crore).
- (iii) Customer advances **USD 0.03 million (₹ 0.15 crore)** (previous year USD 0.32 million (₹ 1.75 crore))
- (iv) Liability arising out of cross currency swap **USD Nil (₹ Nil)** (previous year USD 30.14 million (₹ 163.59 crore)).

**(viii) Contingent liabilities and commitments (to the extent not provided for):****(i) Contingent liabilities:****(a) Guarantees:**

Bank Guarantees issued by Banks on behalf of the Group **₹ 331.06 crore** (previous year ₹ 269.27 crore). These are covered by the charge created in favour of the Group's bankers by way of hypothecation of stocks and debtors.

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

		(₹ in crore)	
		As at	As at
		2013-14	2012-13
(i)	Excise and Customs	12.92	23.24
(ii)	Sales Tax / VAT	101.88	31.41
(iii)	Demand for utility charges	56.61	56.69
(iv)	Labour and other claims against the Group not acknowledged as debt	4.70	4.83
(v)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	209.60	258.51
(vi)	Income Tax (decided in Company's favour by Appellate authorities and Department is in further appeal)	35.76	37.33
(vii)	Others	2.31	5.82

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

(d) Bills discounted by subsidiaries **₹ 10.61 crore** (previous year ₹ 15.47 crore)

## NOTES forming part of Consolidated Financial Statements (contd.)

### (ii) Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **53.36 crore** (previous year ₹ 94.11 crore).
- (b) Capital commitment towards investment in joint ventures / subsidiaries ₹ **47.88 crore** (previous year ₹ 31.15 crore).
- (c) Estimated amount of contract with minimum commitment for plant activity ₹ **15.67 crore** (previous Year ₹ 22.50 crore).
- (d) For commitments related to derivatives and leases refer note 29 (vii) and 29 (ix) respectively.

### (ix) Operating and finance leases:

#### As a lessee

	(₹ in crore)	
	As at 2013-14	As at 2012-13
(a) Total of minimum lease payments	<b>380.58</b>	390.36
The total of minimum lease payments for a period:		
Not later than one year	<b>96.03</b>	83.73
Later than one year and not later than five years	<b>244.39</b>	257.64
Later than five years	<b>40.17</b>	48.99
(b) Lease payments recognised in the statement of profit and loss for the year	<b>105.44</b>	85.32
(c) The lease deposit of ₹ <b>25 crore</b> (previous year ₹ 25 crore) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ <b>Nil</b> (previous year ₹ 1.57 crore) has been charged to the Statement of Profit and Loss on the principle of matching of revenue and costs.		
(d) In respect of various subsidiaries, as at 31st March, 2014 Plant and Machinery includes assets held under finance lease with a net book value of ₹ <b>12.22 crore</b> (previous year ₹ 10.82 crore) and gross book value of ₹ <b>18.40 crore</b> (previous year ₹ 15.76 crore). The future minimum lease payments under finance leases are as follows-		
(i) Not later than one year - ₹ <b>2.03 crore</b> (previous year ₹ 3.65 crore)		
(ii) Later than one year but not later than five years - ₹ <b>0.71 crore</b> (previous year ₹ 1.74 crore)		
(iii) Later than five years - ₹ <b>Nil</b> (previous year ₹ Nil)		

### (x) Disclosure under borrowing cost capitalised:

	(₹ in crore)	
	As at 2013-14	As at 2012-13
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work in progress	<b>0.35</b>	0.99

### (xi) Details of unutilised amounts out of issue of securities for specific purpose:

During 2010-11, the Company has issued equity shares to Tata Sons Limited amounting to ₹ 363.40 crore to fund Company's various growth projects. As at 31st March, 2014, this balance of ₹ **363.40 crore** (31st March, 2013 ₹ 363.40 crore) is pending utilisation for the specified activities and this unutilised amount has been kept invested in bank fixed deposits / money market mutual funds, pending final utilisation.

**NOTES** forming part of Consolidated Financial Statements (contd.)**(xii) Details of investment made in EPM Mining Ventures Inc. an associate company, is as follows:**

	(₹ in crore)	
	2013-14	2012-13
Fully paid equity shares in associate company (including goodwill ₹ 134.10 crore)	<b>196.24</b>	186.12
Add: Exchange	<b>18.98</b>	13.20
Less: Share of loss in associate	<b>(3.33)</b>	(3.08)
Less: Impairment of goodwill	<b>(134.10)</b>	-
Less: Provision for diminution in the value of investments	<b>(46.21)</b>	-
<b>Closing balance</b>	<b>31.58</b>	196.24

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

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

Signatures to Notes '1' to '29'

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman

**Nusli N. Wadia**  
Director

**Nasser Munjee**  
Director

**Dr. Y. S. P. Thorat**  
Director

**R. Mukundan**  
Managing Director

**R. Gopalakrishnan**  
Vice-Chairman

**Ek Nath A. Kshirsagar**  
Director

**Dr. Vijay Kelkar**  
Director

**P. K. Ghose**  
Executive Director & CFO

**Rajiv Chandan**  
General Counsel & Company Secretary

Mumbai, 30th May, 2014

### FINANCIAL STATISTICS - Standalone

Year	CAPITAL ACCOUNTS				REVENUE ACCOUNTS										Dividends (including dividend tax)	Earnings per ordinary share (Basic)	Dividend per ordinary share	Net worth per ordinary share
	Share Capital	Reserves	Borrowings	Capital employed	Gross revenue	Expenses	Depreciation	Profit before taxes	Taxes	Distributable profit for the year	Dividends	Earnings per ordinary share (Basic)	Dividend per ordinary share	Net worth per ordinary share				
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹	₹	₹	
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	—	—	—	—	—	—	7.88	
1954-55	192	24	86	302	315	105	210	223	191	18	14	14(a)	—	—	—	—	10.80	
1959-60	312	64	325	701	708	207	501	351	303	21	27	12	19(b)	—	—	—	11.68	
1964-65	362	220	281	863	1086	443	643	876	649	72	155	80	53	—	—	—	15.52	
1974-75	994	906	1189	3089	3765	1375	2390	3464	2652	201	611	309	154	—	—	—	18.06	
1979-80	994	2036	2848	5878	7480	3048	4432	5860	4421	513	926	364	191	—	—	—	31.80	
1984-85	1594	6705	11987	20286	17032	7317	9715	13570	10429	968	2176	450	352	—	—	—	53.70	
1989-90	4917	25926	34129	64972	35310	14017	21293	30902	23172	2056	5674	1600	1475	—	—	—	62.73	
1990-91	7375	26070	58398	91843	49989	16047	33942	35202	27354	2403	5445	1000	1844	—	—	—	45.35	
1991-92	7375	29831	62262	99468	69797	18618	51179	41204	29580	2650	8974	3000	2212	—	—	—	50.45	
1992-93	9262	41931	95966	147159	119358	21050	98308	48743	34754	2623	11366	3871	2944	—	—	—	54.84	
1993-94	11268	71225	125245	207738	194562	22632	171930	64698	40424	2266	22008	500	6385	—	—	—	73.03	
1994-95	11288	92630	152664	256582	209747	26717	183030	92443	59171	4601	28671	6	7342	—	—	—	92.00	
1995-96	18069	113349	154892	286310	224475	36872	187603	155565	103420	10489	41656	2200	11747	—	—	—	72.72	
1996-97	18070	125449	161606	305125	241799	47837	193962	162813	122372	11409	29032	3800	20487	—	—	—	79.42	
1997-98	18070	141396	152755	312221	260896	59053	201843	166151	121432	11513	33205	4350	28863	—	—	—	88.28	
1998-99	18070	149537	157023	324630	273995	70516	203479	150030	117432	11615	20983	2816	18167	—	—	—	92.79	
1999-00	18070	151240	137023	306313	284488	82244	202244	165882	139190	12347	14345	2616	11729	—	—	—	93.73	
2000-01	18070	176474	114627	309171	281238	92802	188436	173411	141518	13284	18609	2114	16495	—	—	—	105.36	
2001-02	18070	137066	106071	307638	285989	104522	181467	151605	118278	13321	20006	7324	12682	—	—	—	84.35	
2002-03	18070	145516	81626	289288	283490	115049	168441	170483	130588	13693	26202	6544	19658	—	—	—	89.81	
2003-04	21516(c)	182018	76554	324291	307025	132880	174145	272984	225961	14415	32608	10555	13347	—	—	—	94.48	
2004-05	21516	178268	132422	367544	311790	155551	156239	322515	263451	13770	45294	11239	15973	—	—	—	92.80	
2005-06	21516	195254	145449	394514	322899	167802	155097	373461	308481	13893	51087	15784	17169	—	—	—	100.45	
2006-07	21516	217768	104177	372583	332657	181183	151474	426923	348504	15035	63384	18963	20133	—	—	—	111.07	
2007-08	23406	333762	234384	619375	346082	194824	151258	484819	354233	14876	115710	20792	24715	—	—	—	152.64	
2008-09	23523	362407	367610	763842	390176	205801	184375	872402	790072	16303	66027	20822	24762	—	—	—	164.11	
2009-10	24332	403964	294651	741969	404115	221106	183009	576975	499443	18719	58813	15335	25259	—	—	—	176.07	
2010-11	25482	448586	297594@	771822	428661#	235898	192763	656776	580460	20446	55870	15021	40849	—	—	—	186.09	
2011-12	25482	468069	336709@	839127	457136#	249032	208104	846375	747472	22468	76435	17775	58660	—	—	—	193.73	
2012-13	25482	505250	371640@	914847	473332#	267348	205984	897412	793447	21429	82536	18205	29446	—	—	—	208.33	
2013-14	25482	544641	303469@	895153	489918#	286205	203713	912915	840145	15882	56888	13281	43607	—	—	—	223.79	

Notes: (a) Including arrears of dividends on preference shares; (b) Including interest paid out of capital on ordinary shares; (c) Includes the balance lying in share capital suspense account amounting to ₹ 34.46 crore.

\* annualised.

@ From year ended 31st March, 2011 onwards borrowings include long-term borrowings + short-term borrowings + current maturity of debt.

# From year ended 31st March, 2011 onwards gross block includes capital work-in-progress + capital advances.

FINANCIAL STATISTICS - STANDALONE

EQUITY SHARES ISSUED ON CONVERSION OF BONDS / DEBENTURES	RIGHTS ISSUE		BONUS ISSUE	
	₹ Lakh	Premium	₹ Lakh	₹ Lakh
1982-83	116	₹ 8/- per share	1954-55	1 for 2 at Par
1983-84	300	₹ 10/- per share	1957-58	4 for 5 at Par
1984-85/1985-89	600	₹ 30/- per share	1961-62	1 for 5 at Prem Re. 0.5 per share
1987-88	725	₹ 40/- per share	1972-73	1 for 5 at Prem Re. 0.5 per share
1987-88	725	₹ 60/- per share	1985-86	2 for 5
1992-93	1960	₹ 40/- per share	1990-91	1 for 2
1993-94	1960	₹ 40/- per share	1995-96	3 for 5
2007-08	1889	₹ 220.78/- per share		
2008-09	117	₹ 220.78/- per share		
2009-10	809	₹ 220.78/- per share		
	9201		314	10540

FINANCIAL STATISTICS - CONSOLIDATED

Year	CAPITAL ACCOUNTS				REVENUE ACCOUNTS				Earnings per ordinary share (Basic)	Net worth per ordinary share									
	Share capital	Reserves	Minority interest	Borrowings*	Capital employed	Gross block#	Depreciation	Net block#			Goodwill on consolidation	Gross revenue	Expenses	Depreciation	Profit before taxes	Taxes	Minority interest	Share of profit/(loss) in associate	Profit for the year
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	
2005-06	21516	200419	-	182769	430024	540514	262573	277941	70749	425315	346846	18404	60065	17231	-	-	42834	1991	103.11
2006-07	21516	235666	-	186420	469081	601187	295582	305605	76324	606283	504082	27388	74813	24009	-	-	50804	2362	119.52
2007-08	23406	348439	4234	480669	885172	659278	322157	337121	464924	677783	528813	31383	117587	21147	-	-	96440	4351	158.96
2008-09	23523	453455	15219	628381	1122734	750208	373512	376696	562128	1300712	1166716	42264	91732	15751	11171	-	64810	2759	202.81
2009-10	24332	447310	35006	499372	1007837	799062	415966	383096	532470	983144	845176	44678	93290	20932	13114	1347	60591	2561	193.89
2010-11	25482	519687	40645	569972	1161268	943730	494683	449047	563242	1136412	979211	45105	112096	27492	19257	-	65347	2610	214.00
2011-12	25482	608145	44809	706073	1381258	1057808	562667	495141	635874	1425027	1232095	50868	138343	34392	19946	(246)	83759	3288	248.72
2012-13	25482	615874	53614	838400	1532813	1121169	652819	468350	662702	1545211	1400520	53388	91303	30252	20703	(308)	40040	1572	251.75
2013-14	25482	531069	65522	839306	1480479	1172986	696771	476215	672261	1637991	1642756	47124	(51889)	28878	22100	(333)	(103200)	(40.51)	218.46

\*From year ended March 31, 2011 onwards borrowings include long-term borrowings + short-term borrowings + current maturities of long-term debts and finance lease obligations.

# From year ended March 31, 2011 onwards gross block and net block includes capital work-in-progress + intangibles assets held under development + capital advances.







# TATA CHEMICALS LIMITED

Corporate Identity Number (CIN) - L24239MH1939PLC002893

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

Tel. No: 91 22 6665 8282 Fax No: 91 22 6665 8143/44

Email address: investors@tatachemicals.com Website: www.tatachemicals.com

## ATTENDANCE SLIP

**75th ANNUAL GENERAL MEETING ON THURSDAY, 21ST AUGUST, 2014 AT 3.00 P.M.**

at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

Folio No.:	DP ID No.:	Client ID No.:
------------	------------	----------------

I / We hereby record my/our presence at the SEVENTY FIFTH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 3.00 p.m. on Thursday, 21st August, 2014.

Name of the Member _____	Signature _____
Name of the Proxyholder _____	Signature _____

- Notes:**
1. Only Member/Proxyholder can attend the Meeting.
  2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxyholder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
  3. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.



# TATA CHEMICALS LIMITED

Corporate Identity Number (CIN) - L24239MH1939PLC002893

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

Tel. No: 91 22 6665 8282 Fax No: 91 22 6665 8143/44

Email address: investors@tatachemicals.com Website: www.tatachemicals.com

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. / Client ID No. : \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Tata Chemicals Limited, hereby appoint:

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_ Or failing him;

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_ Or failing him;

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SEVENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, 21st August, 2014 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1.	Adoption of Statement of Profit and Loss, Balance Sheet, Reports of Board of Directors and Auditors for the year ended 31st March, 2014
2.	Declaration of dividend on Ordinary Shares for the Financial Year 2013 – 14
3.	Re-appointment of Mr. R. Gopalakrishnan, who retires by rotation
4.	Appoint Auditors and fix their remuneration
5.	Appointment of Mr. Nusli Wadia as an Independent Director of the Company
6.	Appointment of Mr. Nasser Munjee as an Independent Director of the Company
7.	Appointment of Mr. Eknath Kshirsagar as an Independent Director of the Company
8.	Appointment of Dr. Y. S. P. Thorat as an Independent Director of the Company
9.	Appointment of Dr. Vijay Kelkar as an Independent Director of the Company
10.	Re-appointment of Mr. R. Mukundan as Managing Director of the Company
11.	Re-appointment of Mr. P. K. Ghose as an Executive Director and CFO of the Company
12.	Ratification of Remuneration of Cost Auditors
13.	Approve borrowing limits of the Company
14.	Creation of Charge on the assets of the Company
15.	Offer or invitation to subscribe to Non-Convertible Debentures on Private Placement

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014



Signature of the shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

- Note:
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, not less than 48 hours before the commencement of the Meeting.
  2. A proxy need not be a member of the Company.
  3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the SEVENTY FIFTH ANNUAL GENERAL MEETING of the Company.



### Pioneered

the production of synthetic soda ash in India and now is its second-largest manufacturer in the world.

### Pioneered

branded iodized salt in India.

### Leader

in the national branded salt category reaching over 75 million households.

### Launched

crop and region-specific customized fertilisers.

### Connected

over a million farmers through Tata Kisan Sansar.

### Pioneered

the development of the first indigenous nano-tech water purifier.

### Leader

in the national branded pulses segment.

## FOR 75 YEARS, WE'VE BEEN SERVING SOCIETY THROUGH SCIENCE. AND IT HAS BEEN AN ENRICHING JOURNEY.

In 1939, when we embarked on our long and devoted journey, little did we know that we would be attaining these landmarks. And today, as we touch over a billion lives across the world through support, care and innovation, our commitment to serve the society remains the same. We take great pride in our achievements of the past and the ambitions of the present but our greatest satisfaction lies in the promise of the future. A future that millions of people can expect with a sense of assurance.



[www.tatachemicals.com](http://www.tatachemicals.com)





[www.humantouchofchemistry.com](http://www.humantouchofchemistry.com)  
[www.tcsr.com](http://www.tcsr.com)  
[www.facebook.com/TataChemicals](https://www.facebook.com/TataChemicals)  
[www.facebook.com/humantouchofchemistry](https://www.facebook.com/humantouchofchemistry)



## TATA CHEMICALS LIMITED

Registered Office:  
Bombay House, 24, Homi Mody Street,  
Fort, Mumbai 400001 India  
T: +91 22 6665 8282 F: +91 22 6665 8143/44  
[www.tatachemicals.com](http://www.tatachemicals.com)  
CIN: L24239MH1939PLC002893

