

Tata Chemicals Limited

Regd. Office: Bombay House, 24 Homi Mody Street, Mumbai - 400 001

Statement of Standalone Audited Financial Results for the quarter and year ended 31 March, 2020

(₹ in crore)

Particulars	Quarter ended 31 March, 2020 (note 8)	Quarter ended 31 December, 2019 (Restated) (note 2 (b) and 2 (c))	Quarter ended 31 March, 2019 (Restated) (note 2 (b), 2 (c) and 8)	Year ended 31 March, 2020	Year ended 31 March, 2019 (Restated) (note 2 (b) and 2 (c))
1 Income					
a) Revenue from operations	734.05	759.37	861.03	2920.29	3121.25
b) Other income	47.47	34.94	83.84	309.15	400.32
Total Income (1a+1b)	781.52	794.31	944.87	3229.44	3521.57
2 Expenses					
a) Cost of materials consumed	121.73	151.55	136.07	541.90	566.77
b) Purchases of stock-in-trade	36.28	32.60	14.97	94.41	101.97
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1.59)	(27.03)	87.61	(76.41)	75.50
d) Employee benefits expense	80.57	62.03	61.16	250.28	226.85
e) Power and fuel	143.17	136.33	144.84	555.18	573.83
f) Freight and forwarding charges	100.74	95.29	120.49	390.06	476.10
g) Finance costs	3.85	5.10	18.14	43.37	86.14
h) Depreciation and amortisation expense	41.56	36.44	38.74	149.50	140.34
i) Other expenses	112.83	114.10	114.75	446.83	413.59
Total expenses (2a to 2i)	639.14	606.41	736.77	2395.12	2661.09
3 Profit before tax (1-2)	142.38	187.90	208.10	834.32	860.48
4 Tax expenses (note 5)					
a) Current tax	32.45	42.48	59.86	194.37	244.73
b) Deferred tax	(7.92)	8.37	(23.98)	(31.87)	(15.06)
Total tax expenses (4a + 4b)	24.53	50.85	35.88	162.50	229.67
5 Profit from continuing operations after tax (3-4)	117.85	137.05	172.22	671.82	630.81
6 Profit from discontinued operations before tax (note 2 (a) and 2 (c))	-	-	83.35	-	293.18
7 Exceptional gain (net) from discontinued operations (note 2 (c) and 3)	6136.08	-	-	6128.08	-
8 Tax expense of discontinued operations (note 2 (a) and 2(c))	(100.64)	20.80	16.67	(40.32)	69.15
9 Profit from discontinued operations after tax (6+7-8)	6236.72	(20.80)	66.68	6168.40	224.03
10 Profit for the period (5+9)	6354.57	116.25	238.90	6840.22	854.84
11 Other comprehensive income ('OCI')					
(i) Items that will not be reclassified to the Statement of Profit and Loss					
Changes in fair value of equity investments carried at fair value through OCI	(594.08)	(89.14)	302.37	(557.31)	268.59
- Remeasurement of defined employee benefit plans	(9.64)	(12.13)	(10.85)	(50.55)	(2.97)
(ii) Income Tax relating to above items	61.13	18.60	(34.61)	65.42	(32.63)
Total other comprehensive income (net of tax) (i+ii)	(542.59)	(82.67)	256.91	(542.44)	232.99
12 Total comprehensive income for the period (10+11)	5811.98	33.58	495.81	6297.78	1087.83
13 Paid-up equity share capital (Face value : ₹ 10 per share)	254.82	254.82	254.82	254.82	254.82
14 Debt capital # (note 7)				-	250.00
15 Debenture redemption reserve (note 7)				-	240.00
16 Other equity				11722.50	12110.15
17 Earnings per share for continuing operations (in ₹)					
- Basic and Diluted	4.63*	5.37*	6.76*	26.37	24.76
18 Earnings per share for discontinued operations (in ₹)					
- Basic and Diluted	244.81*	(0.82)*	2.62*	242.13	8.79
19 Earnings per share for continuing and discontinued operations (in ₹)					
- Basic and Diluted	249.44*	4.55*	9.38*	268.50	33.55
20 Debt equity ratio				Note 7	0.06
21 Debt service coverage ratio				Note 7	1.70
22 Interest service coverage ratio				Note 7	10.99
# Represents non convertible debentures					
* Not annualised					
See annexed segment information and accompanying notes to the standalone financial results					

Tata Chemicals Limited
Standalone Audited Segmentwise Revenue, Results, Assets and Liabilities

(₹ in crore)

Particulars	Quarter ended 31 March, 2020 (note 8)	Quarter ended 31 December, 2019 (Restated) (note 2 (b) and 2 (c))	Quarter ended 31 March, 2019 (Restated) (note 2 (b), 2 (c) and 8)	Year ended 31 March, 2020	Year ended 31 March, 2019 (Restated) (note 2 (b) and 2 (c))
1 Segment Revenue					
a. Basic chemistry products *	703.39	729.23	852.84	2836.91	3071.92
b. Specialty products	30.65	21.16	6.87	74.39	42.32
	734.04	750.39	859.71	2911.30	3114.24
Add: Unallocated	0.01	8.98	1.32	8.99	7.01
Total revenue from operations	734.05	759.37	861.03	2920.29	3121.25
2 Segment Results					
a. Basic chemistry products	195.70	212.56	204.82	819.20	762.48
b. Specialty products	(12.93)	(8.09)	(5.69)	(31.99)	(22.71)
Total segment results	182.77	204.47	199.13	787.21	739.77
Less :					
(i) Finance costs	3.85	5.10	18.14	43.37	86.14
(ii) Net unallocated expenditure/(income)	36.54	11.47	(27.11)	(90.48)	(206.85)
Total profit before tax	142.38	187.90	208.10	834.32	860.48
3 Segment Assets					
a. Basic chemistry products	2808.67	2638.57	2211.52	2808.67	2211.52
b. Specialty products	587.30	539.63	468.68	587.30	468.68
Total segment assets	3395.97	3397.27	2680.20	3395.97	2680.20
Add: Unallocated	10063.23	10888.79	11649.91	10063.23	11649.91
Total assets	13459.20	14286.06	14330.11	13459.20	14330.11
4 Segment Liabilities					
a. Basic chemistry products	650.64	655.44	607.97	650.64	607.97
b. Specialty products	39.19	24.98	72.98	39.19	72.98
Total segment liabilities	689.83	680.42	680.95	689.83	680.95
Add: Unallocated	792.05	915.25	1348.47	792.05	1348.47
Total liabilities	1481.88	1595.67	2029.42	1481.88	2029.42

Information relating to discontinued operations as stated in note 2(a) and 2(c) to the standalone financial results:

Particulars	Quarter ended 31 March, 2020 (note 8)	Quarter ended 31 December, 2019 (Restated) (note 2 (b) and 2 (c))	Quarter ended 31 March, 2019 (Restated) (note 2 (b), 2 (c) and 8)	Year ended 31 March, 2020	Year ended 31 March, 2019 (Restated) (note 2 (b) and 2 (c))
1 Segment Revenue	-	-	478.73	-	2471.83
2 Segment Results (before tax)	6136.08	-	83.35	6128.08	293.18
3 Segment Assets	-	-	236.58	-	236.58
4 Segment Liabilities	-	-	172.30	-	172.30

*** Includes sales to consumer product business (discontinued operations)**

Particulars	Quarter ended 31 March, 2020 (note 8)	Quarter ended 31 December, 2019 (Restated) (note 2 (b) and 2 (c))	Quarter ended 31 March, 2019 (Restated) (note 2 (b), 2 (c) and 8)	Year ended 31 March, 2020	Year ended 31 March, 2019 (Restated) (note 2 (b) and 2 (c))
Infer segment revenue	-	-	280.74	-	887.67

Tata Chemicals Limited
Standalone Audited Balance Sheet as at 31 March, 2020

(₹ in crore)

	As at 30 March, 2020	As at 31 March, 2019 (Restated) (note 2 (b))
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	2156.39	1518.14
(b) Capital work-in-progress	402.13	527.16
(c) Investment property	21.11	21.72
(d) Right of use assets	23.04	-
(e) Goodwill	45.53	48.00
(f) Intangible assets	7.22	6.77
(g) Intangible assets under development	0.27	0.16
(h) Financial assets		
(i) Investments in subsidiaries and joint venture	4758.06	4758.06
(ii) Other investments	1904.23	2461.55
(iii) Loans	0.92	1.13
(iv) Other financial assets	0.26	0.26
(i) Advance tax assets (net)	588.94	521.44
(j) Other non-current assets	184.23	167.21
Total non-current assets	10092.33	10031.60
(2) Current assets		
(a) Inventories	701.17	627.68
(b) Financial assets		
(i) Investments	1301.33	2,146.26
(ii) Trade receivables	139.84	184.84
(iii) Cash and cash equivalents	83.72	1049.75
(iv) Bank balances other than (iii) above	795.86	56.46
(v) Loans	0.23	0.40
(vi) Other financial assets	137.31	334.32
(c) Other current assets	207.41	135.38
Total current assets	3366.87	4535.09
Total assets	13459.20	14566.69
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	254.82	254.82
(b) Other equity	11722.50	12110.15
Total equity	11977.32	12364.97
(2) Liabilities		
1 Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	10.41	13.46
(ii) Other financial liabilities	0.17	0.24
(b) Provisions	163.37	103.11
(c) Deferred tax liabilities (net)	59.55	189.79
(d) Other non-current liabilities	10.50	10.50
Total non-current liabilities	244.00	317.10
2 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	0.99
(ii) Trade payables		
- Outstanding dues of micro enterprises and small enterprises	3.83	18.04
- Outstanding dues of creditors other than above	571.16	550.57
(iii) Other financial liabilities	187.04	933.98
(b) Other current liabilities	110.19	53.84
(c) Provisions	199.64	203.08
(d) Current tax liabilities (net)	166.02	124.12
Total current liabilities	1237.88	1884.62
Total liabilities	1481.88	2201.72
Total equity and liabilities	13459.20	14566.69

Tata Chemicals Limited
Statement of Cash Flows for the year ended 31 March, 2020

Particulars	₹ in crore	
	Year ended 31 March, 2020	Year ended 31 March, 2019 (Restated) (note 2 (b))
A Cash flows from operating activities		
Profit before tax from continuing operations	834.32	860.48
Profit before tax from discontinued operations	6,128.08	293.18
	6,962.40	1,153.66
Adjustments for :		
Depreciation and amortisation expense	149.50	143.23
Finance costs	43.37	97.72
Interest income	(40.99)	(67.45)
Dividend income	(123.22)	(104.76)
Gain on demerger of discontinued operation (net)	(6,220.15)	-
Net gain on sale of current investments	(121.27)	(187.15)
Provision for employee benefits expense	28.39	(10.48)
Provision for doubtful debts and advances/bad debts written off/(back)	9.40	7.65
Provision for contingencies (net)	(5.33)	9.40
Provision for exceptional items	92.07	-
Foreign exchange gain (net)	(2.74)	(2.82)
(Profit)/ loss on assets sold or discarded (net)	(8.34)	2.68
Operating profit before working capital changes	763.09	1,041.68
Adjustments for :		
Trade receivables, other financial assets and other assets	(129.52)	401.20
Inventories	(73.49)	(325.31)
Trade payables, other financial liabilities and other liabilities	85.56	107.11
Cash generated from operations	645.64	1,224.68
Taxes paid (net of refund)	(218.27)	(412.58)
Net cash generated from operating activities	427.37	812.10
B Cash flows from investing activities		
Acquisition of property, plant and equipment (including capital work-in-progress)	(698.29)	(588.35)
Acquisition of intangible assets (including intangible asset under development)	(3.02)	(0.82)
Proceeds from sale of property, plant and equipment	11.88	4.40
Proceeds from sale of other non-current investments	-	3.48
Proceeds from sale of current investments	8,330.19	15,094.45
Purchase of current investments	(7,354.00)	(17,053.56)
Investment in subsidiary	-	(2.50)
Bank balances not considered as cash and cash equivalent	(737.41)	412.25
Payment on acquisition of business	-	(116.82)
(Payment on)/proceeds from sale of discontinued operations	(8.00)	565.08
Interest received	42.79	73.45
Dividend received		
- From subsidiaries	25.93	25.92
- From joint venture	72.24	58.43
- From others	25.05	20.41
Net cash used in investing activities	(292.64)	(1,504.18)
C Cash flows from financing activities		
Proceeds from borrowings	-	0.54
Repayment of borrowings	(640.16)	(773.38)
Repayment towards lease liabilities	(8.43)	(4.77)
Finance costs paid	(73.48)	(119.76)
Bank balances in dividend and restricted account	(1.99)	(3.08)
Dividends paid including distribution tax	(377.26)	(667.58)
Net cash used in financing activities	(1,101.32)	(1,568.03)
Net decrease in cash and cash equivalents	(966.59)	(2,260.11)
Cash and cash equivalents as at 1 April	1,049.75	3,303.29
Cash and cash equivalents on account of merger	-	5.21
Exchange difference on translation of foreign currency cash and cash equivalents	0.56	0.32
Movement in cash and cash equivalents pertaining to discontinued operations	-	1.04
Cash and cash equivalents as at 31 March	83.72	1,049.75

Notes to the standalone financial results :

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 15 May, 2020. The same have been audited by the Statutory Auditors who have issued an unqualified opinion thereon.
- 2 a On 1 June, 2018, the Company consummated the sale and transfer of its Phosphatic Fertiliser Business located at Haldia and the Trading Business comprising bulk and non-bulk fertilisers to IRC Agrochemicals Private Limited as per Business Transfer Agreement dated 6 November, 2017.
- b The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench on 23 April, 2020 approved the Scheme of Merger by Absorption of Bio Energy Venture-1 (Mauritius) Pvt. Ltd. ('Bio'), a wholly owned subsidiary of the Company, by the Company ('Scheme'), with an Appointed Date of 1 April 2019. In accordance with Ind AS 103, being a common control transaction, previous periods have been restated with effect from April 1, 2018, being earliest period presented. The impact of amalgamation on the above financial results is immaterial.
- c The National Company Law Tribunal ("NCLT"), Mumbai and NCLT Kolkata, on 10 January, 2020 and 8 January, 2020 respectively, sanctioned the Scheme of Arrangement amongst Tata Consumer Products Limited (formerly Tata Global Beverages Limited) ("TCPL") and the Company and their respective shareholders and creditors ("the Scheme") for the demerger of the Consumer Products Business Unit ("CPB") of the Company to TCPL. The Scheme became effective on 7 February, 2020 upon filing of the certified copies of the NCLT Orders sanctioning the Scheme with the respective jurisdictional Registrar of Companies. Pursuant to the Scheme becoming effective, the CPB is demerged from the Company and transferred to and vested in TCPL with effect from 1 April, 2019 i.e. the Appointed Date.

As per the clarification issued by Ministry of Corporate Affairs vide Circular no. 09/2019 dated August 21, 2019 (MCA Circular), the Company has recognized the effect of the demerger on 1 April, 2019 and debited the fair value as at 1 April, 2019 of Demerged Undertaking i.e. fair value of net assets of CPB to be distributed to the shareholders of the Company, amounting to ₹ 6,307.97 crore to the retained earnings in the Statement of Changes in Equity as dividend distribution. The difference in the fair value and the carrying amount of net assets of CPB as at 1 April, 2019 is recognised as gain on demerger of CPB in the Statement of Profit and Loss as an exceptional item, amounting to ₹ 6,228.15 crore and ₹ 6,220.15 crore (net of transaction cost) during the quarter and year ended 31 March, 2020 respectively. The operations of CPB have been reclassified as discontinued operations.

The Company had recorded tax provision of ₹ 20.80 crore and ₹ 60.32 crore on the profits of CPB for the quarter and nine months ended 31 December, 2019 respectively. This tax provision has been reversed in the current quarter ended 31 March, 2020 as it has not been transferred to TCPL post de-merger of CPB.

- 3 Exceptional items from discontinued operations for the quarter and year ended 31 March, 2020 includes ₹ 92.07 crore in respect of provisions made, relating to the erstwhile fertilizer businesses, as per revised notifications issued by the concerned department for change in rate of subsidy for previous years
- 4 Effective 1 April, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right of use assets (ROU) of ₹ 4.03 crore and a lease liability of ₹ 4.35 crore by adjusting retained earnings, net of taxes of ₹ 0.21 crore. The effect of this adoption is insignificant on the profit for the period and earnings per share.
- 5 During the quarter ended 30 September, 2019, the Company decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the provision for income tax and deferred tax balances have been recorded/ remeasured using the new tax rate and the Company had reversed deferred tax liabilities amounting to ₹ 39.20 crores.
- 6 The Board of Directors has recommended a final dividend of 110 % (2019: 125 %) for the financial year 2019-20 ₹ 11.00 per share (2019: ₹ 12.50 per share) which is subject to approval of shareholders.
- 7 On July 2, 2019, the Company redeemed its Unsecured Redeemable Non-Convertible Debentures ('NCD') of ₹ 250 crores along with interest due and has consequently transferred the balance of Debenture Redemption Reserve to the General Reserve. Accordingly, the said NCDs stand redeemed and are no longer listed.

Formula used for calculation of Ratios (Continuing operations):

a) Debt Equity Ratio = Debt / Equity

(Debt: Long-term borrowings +Current maturities of long term borrowings +Short-term borrowings)

(Equity: Shareholder's Funds)

b) Debt Service Coverage Ratio = Profit before Interest and Tax / (Interest + Principal repayments)

c) Interest Service Coverage Ratio = Profit before Interest and Tax / Interest

Notes to the standalone financial results :

- 8 Figures for the quarter ended 31 March, 2020 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year.
- 9 In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of our locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down in compliance with the directives / orders issued by the local Panchayat / Municipal Corporation / State / Central Government authorities.
- As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.
- 10 Previous period figures have been regrouped to conform with the classification adopted in these financial results.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

For and on behalf of
TATA CHEMICALS LIMITED

Vijay Mathur
Partner
Membership No. 046476
Place: Mumbai
Date: 15 May, 2020

R. Mukundan
Managing Director and CEO