

TATA CHEMICALS



“Last year we traced the changing face of **Tata Chemicals**, and its evolution into a multi-dimensional organisation. Every action of ours is in harmony with **our values - Integrity, Safety, Excellence, Care and Innovation**. This year our theme touches two key elements of Intellectual Capital of the Company – Innovation and Brands. **As innovation powers our growth, excellence in every sphere keeps us primed up for maximum productivity. While our sustainable policies underpin our caring ethos**, through the power of our brands we reach out to serve consumers and society with a portfolio of innovative products and solutions.”

Mission:

**Serving
Society
Through
Science**

Vision:

**We shall be amongst the
premier chemical companies
in the world by**

- | Leveraging science to deliver new and innovative offerings
- | Enhancing value to our customers
- | Delivering superior returns to our shareholders
- | Leading in corporate sustainability
- | Nurturing innovation, learning through diversity and teamwork among employees

Values:

- | **Integrity**
- | **Safety**
- | **Excellence**
- | **Care**
- | **Innovation**

CONTENTS	Page No.
Board of Directors	02
Management Team	03
Corporate Theme - Innovation and Brands	04
Awards and Recognitions	14
Performance Highlights	15
Notice	17
Directors' Report	22
Management Discussion and Analysis	34
Corporate Governance Report	51
Business Responsibility Report - Summary	66
Standalone Financials	
Auditors' Report	67
Balance Sheet	70
Statement of Profit and Loss	71
Cash Flow Statement	72
Notes forming part of Financial Statements	74
Summary of Financial Information of Subsidiary Companies	103
Consolidated Financials	
Auditors' Report	104
Balance Sheet	106
Statement of Profit and Loss	107
Cash Flow Statement	108
Notes forming part of Consolidated Financial Statements	110
Financial Statistics	138
Proxy/Attendance Slip	

ANNUAL GENERAL MEETING

Monday, 26th August, 2013

Time : 3.00 p.m.

Venue : Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020

BOOK CLOSURE DATES : AUGUST 14, 2013 to AUGUST 26, 2013

Board of DIRECTORS



Ratan N. Tata
Chairman (upto 28 . 12 . 2012)
Chairman Emeritus
(from 28 . 12 . 2012)



Cyrus P. Mistry
Chairman (from 28 . 12 . 2012)



R. Gopalakrishnan
Vice-Chairman



Nusli N. Wadia



Prasad R. Menon



Nasser Munjee



Dr. Yoginder K. Alagh



Eknath A. Kshirsagar



Dr. Y. S. P. Thorat



Dr. Vijay Kelkar



R. Mukundan
Managing Director



P. K. Ghose
Executive Director & CFO

Management TEAM

CORPORATE

R. Mukundan - Managing Director

P. K. Ghose - Executive Director & CFO

DeLyle Bloomquist - President, Global Chemicals Business

Dr. Arup Basu - President, New Businesses & Innovation Centre

R. Nanda - Vice President, Human Resources & Corporate Communications

Sanjiv Lal - Vice President, Corporate Projects

S. G. Choudhary - Chief Technology & Sustainability Officer

Ranjeev Lodha - Vice President & Group Corporate Controller

Rajiv Chandan - General Counsel & Company Secretary

N. K. Uppal - Chief Information Officer

Sudhir Dalvi - Head, Internal Audit & Risk Management

INDIA OPERATIONS

Zarir Langrana - Chief Operating Officer, Chemicals (India)

Ashvini Hiran - Chief Operating Officer, Consumer Products Business

Vinay K. Bhatia - Chief Operating Officer, Crop Nutrition & Agri Business

D. K. Sundar - Senior Vice President, Marketing & Commercial (Fertilisers)

M. Ravindranath - Vice President, Manufacturing (Mithapur Plant)

S. Bhasker Kumar - Vice President, Manufacturing (Babrula Plant)

Sabaleel Nandy - Vice President, Manufacturing (Haldia Plant)

INTERNATIONAL OPERATIONS

Martin Keighley - Managing Director (Designate), Tata Chemicals North America

Dr. Martin Ashcroft - Managing Director, Tata Chemicals Europe

Jackson Mbui - Managing Director, Tata Chemicals Magadi Limited

John Mulhall - CFO, Tata Chemicals International Pte. Limited

Paul Peterson - Plant Manager, Tata Chemicals North America

Peter Houghton - Operations Director, Tata Chemicals Europe

M. Jacob - Chief Operating Officer, Tata Chemicals Magadi Limited

General Counsel & Company Secretary
Rajiv Chandan

Auditors
Deloitte Haskins & Sells
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.

It's all about

LIFE



*The transformation of **Tata Chemicals** has been gradual and steady from a commodities company dealing mainly in organic chemicals to a provider of holistic solutions in the global chemicals sector. This transformation was achieved through consistent focus on building customer centricity, growing brand equity, developing innovative solutions and successful execution of expansion and growth strategies. As a result of these efforts we've witnessed a fivefold increase in revenue over the last ten years.*

TCL Group Statistics

R&D Centres	5
Scientists/ Researchers	74
Research Partnerships	11
Patents Granted	8
Patents Applied	66
Mega Brands (Revenue > ₹ 100 Crore)	7
R&D Spend	₹ 49.32 Crore
Marketing Spend	₹ 201.79 Crore

Touch Points

Households	12 Crore
Farmers	1.75 Crore
Retailers	15.20 Lakhs
Stockists / Distributors	9425
Tata Kisan Sansars	821
Industrial Customers	8000

Tata Chemicals Limited (TCL) now offers an entire gamut of products, including specialty offerings, non-bulk chemicals and application products and solutions. It is now the world's second largest producer of soda ash and the fourth-largest maker of soda bicarb. The Company is now moving towards being a consumer-oriented specialty chemicals company with a strong focus on branded products.

The products and services offered by the Company have been classified into three categories (**LIFE - Living, Industry, Farm Essentials**):

Living Essentials,

under which it provides items used in everyday living including iodised salt, water purifiers, nutritional solutions and protein-rich pulses.

Industry Essentials,

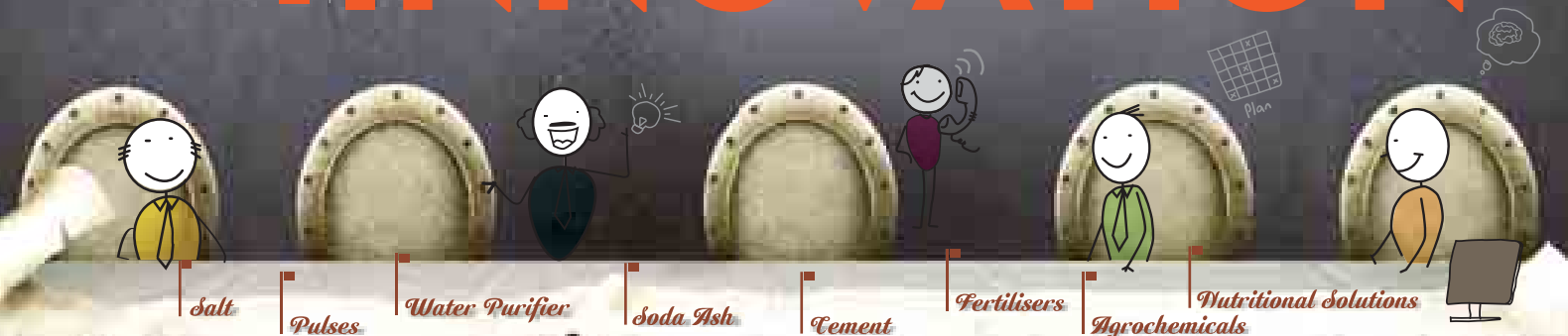
under which it provides key inputs such as soda ash and soda bicarb to manufacturers of glass, detergents and other industrial products.

Farm Essentials,

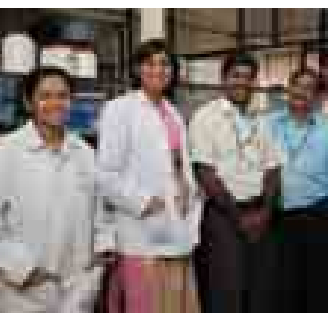
under which it makes crop nutrients such as urea and phosphate fertilisers. Through its subsidiaries Rallis India Limited and Metahelix Life Sciences Limited, it also provides hybrid seeds in addition to pesticides and insecticides which are used in crop protection.

In 2012-13, TCL reported consolidated total revenue of ₹ 15,277 crore. The Company's operations span the globe and are spread across **Asia, Europe, Africa and America** with 5985 employees.

A business focused on **INNOVATION**



Creating a sustainable forward-looking enterprise which nurtures and cares for the customers and community requires innovative solutions. Recognising this intrinsic role of innovation TCL has established centres devoted to R&D.



INNOVATION CENTRE - PUNE

The importance of innovation was realised by TCL long back and in recognition of that, it had set up the Tata Chemicals Innovation Centre (IC) in Pune in 2004. The IC is playing an important role in expanding the Company's portfolio of consumer products with value additions being made at every step. Principles of sustainability and chemistry act as a guiding force as IC explores the possibilities of innovation with an objective to sprout new businesses. The rise of biotechnology and nanotechnology and the immense opportunities it offers has prompted TCL to concentrate on R&D activities encompassing these two sciences. The benefits of its research into nanotechnology were responsible for the launch of its low-cost water purifiers Swach in 2009, which is providing affordable drinking water to the masses.

The Innovation Centre also engages its resources to develop formulations and ingredients for health, wellness and industrial applications. It is currently researching on crop and soil specific nutrition formulations to improve soil quality and increase crop yield. Contaminated water is a universal problem and finding new methods to purify water and rid it of arsenic is one of the major projects underway. Waste biomass and value added chemicals are some of the other areas of research at the Innovation Centre.

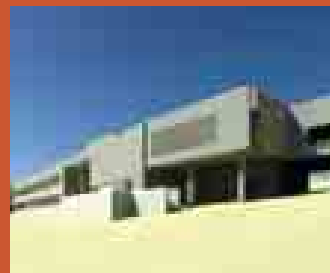
The Innovation Centre has undertaken collaborative research in some of the areas it focuses on, partnering with other businesses including Tata companies. A skilful team of researchers with access to modern technology and advanced equipments under one roof makes it highly capable of undertaking a spectrum of R&D activities.

HEALTH FOOD INGREDIENTS PLANT - CHENNAI

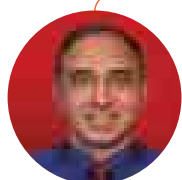


In line with its aspirations of achieving leadership status in Consumer Products and Specialty Chemicals businesses, TCL has extended its product portfolio to include nutritional solutions. The unique and patented biotechnology processes developed at the IC will be used to produce soluble fibres and other dietary fibres at the Company's upcoming nutritional solutions facility at Chennai. The new 1000 MTPA plant will come on-stream in 2013.

NEW INNOVATION CENTRE - PUNE

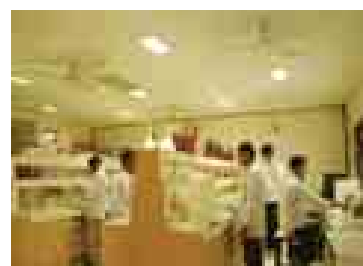


By the end of 2013, the Innovation Centre will be moving to a new, more spacious state-of-the-art Company-owned premises spread over 44,000 sq. ft that is currently under construction at Mulshi, Pune.



"The innovation centre in Pune is based on themes of sustainability and green chemistry mainly focusing on biotechnology and nanotechnology as enablers for creating and supporting new businesses through the development of innovative products and solutions addressing essential and emerging needs of our society."

Dr. Rajiv Kumar, Chief Scientist | IC Pune



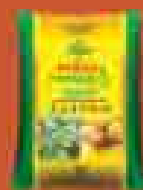
CENTRE FOR AGRI-SOLUTIONS AND TECHNOLOGY (CAT) - ALIGARH

The Centre for Agri-Solutions and Technology is an in-house R&D centre of CNAB housed at Aligarh, UP. The Centre is primarily engaged in developing innovative products/services in the domain of crop nutrient management; besides developing Decision Support System for Soil Test Service; and providing technical back-up to the Sales and Marketing team. It has piloted various innovative services like Foliar Nutrition Service, Hello Krishi and Smart Krishi.

Experienced scientists at CAT conduct in-depth path-breaking research on crop nutrition. One of such researches resulted in the development of Customised Fertiliser (CF) basal grades for wheat, rice, maize, potato, and sugarcane for regions around Babrala and sweet sorghum for regions in Maharashtra. 'Hello Krishi', an initiative to provide relevant information on crops and weather to farmers that they can use to augment their agricultural income. The information is delivered via mobile devices and is sourced from agricultural experts.

The centre is expected to provide TCL a competitive advantage in the future that will offer a very strong base for the growth of its customised fertiliser business, specialty crop nutrients business and agribusiness.

PARAS FARMOOLA



The country's 1st customised fertiliser is based on extensive soil analysis mapped with the nutrient requirement of 4 key crops in 31 districts of Uttar Pradesh. This has resulted in a pioneering nutrition product which takes care of all the plants nutritional requirements at sowing stage, making it very convenient for the farmer who otherwise has to source different fertilisers and deal with shortages of key nutrients at the appropriate time of application.



"Crop nutrient management in India is at its cross-road, where traditional practices have led to a plateau in productivity, decline in natural resources and threat to our national food security. We at CAT take pride in our commitment to develop innovative products to ensure complete balanced nutrition, tailor-made for the socio-economic environment in which we operate."

Dr. Subhendu Bhadraray, Senior Scientist | CAT

HELLO KRISHI



**TOLL FREE NUMBER
1800-266-0255**

Moving from the domain of products, CAT has envisioned a new source of empowerment for farmers – information. Developed in collaboration with TCS, the service offers agricultural solutions after taking into account key information affecting their profitability like weather, market prices and agri practices. ICT and mobile telephony technologies such as the toll free no. connecting farmers to an agri expert is one of its revolutionary features.



CEMENT PLANT - MITHAPUR



RESEARCH CENTRE - MITHAPUR

In the chemicals business, Mithapur research centre's innovations have resulted in improved methods to reduce production of wastes and mitigate their impact on the environment. For instance, the Company has carried out innovative works for effluent management and separating soda ash solids. With its pioneering soda ash filtration system, significant amounts of solid wastes are filtered out of the waste water using Larox filters and mixed with fly ash to make cement.

RALLIS INNOVATION CHEMISTRY HUB - BENGALURU

Rallis Innovation Chemistry Hub (RICH), in Bengaluru, is a breakthrough R&D centre focusing on chemistry, product development and regulatory affairs. All activities at RICH are aligned to identifying, developing, registering and introducing new products, generating study reports for regulatory approvals of proposed products, providing support structure to contract manufacturing, and developing new technologies that lead to cost reduction.

One of its focus areas is development of new and safer crop protection formulations that provide better efficacy and improved value and services to farmers. Every Rallis product is the outcome of extensive research conducted at RICH. Research projects undertaken last year, resulted in the filing of six patents, a notable achievement for RICH.

R&D projects aimed at improving productivity and increasing overall process efficiency during manufacturing are also undertaken. RICH Bengaluru is recognized by Department of Scientific and Industrial Research (DSIR) under the Ministry of Science & Technology, Government of India, New Delhi.



"The main objective at RICH (Rallis Innovation Chemistry Hub) is to provide total agri-solutions to farmers by improving their net returns through increased crop production and crop productivity. The filing of six patents last year is a manifestation of our innovative R&D activities at work across RICH facilities."



Dr. Subhash Kadam, Vice President, Research and Development | Rallis India





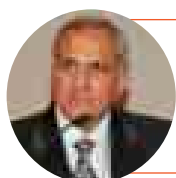
METAHELIX - BENGALURU

Metahelix is an agricultural biotechnology company focusing on developing traits and technologies for crop protection & improved productivity. Metahelix leverages its expertise in crop genetics and plant biotechnology to develop high performance hybrid seeds in rice, maize, cotton and millets for Indian markets with transgenic traits for insect, viral and fungal protection traits. Hybrid Seeds developed by Metahelix are distributed to farmers across the country through the Dhaanya Seeds Brand in addition to supply of these seeds in the Rallis and Tata Chemicals brands.

The Company's biotechnology capability include various aspects of gene mining, development, molecular biology, crop transformation, phenotyping, assaying and trait development. The transgenic traits being developed include Bt Cotton (Bollworm and

Spodoptera tolerance). In addition, new and novel RNAi technologies are being developed for virus and fungal tolerance traits in rice, maize and vegetable crops. The biotech facilities of Metahelix include about 20,000 sq. ft. of laboratory space and about 24000 sq. ft. of contained greenhouse laboratories for transgenic research and are based at Bengaluru.

The crop breeding programmes are located at Bengaluru (Rice, Maize & Vegetable crops), Hyderabad (Rice and Cotton) and Ahmedabad (Millets). In addition, a trialing network consisting of about 21 different locations spread out all over the country, assists the systematic evaluation of hybrids generated by the crop breeding programme.



"Metahelix uses modern science to improve crops of significance to our farmers and its products are gaining increasing acceptance in the marketplace."

Dr. K. K. Narayanan, Managing Director | Metahelix Life Sciences Limited

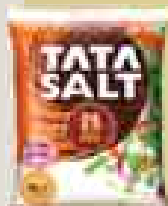


■ Building Sustainable BRANDS

TCL's progress towards being a consumer-centric enterprise is being realised through its efforts to bring branded products to the doorstep of customers. In a country where branded goods are gaining acceptance at a very slow pace, the Company has come a long way in making its products acceptable to the discerning customer and is consolidating its position in its core areas of expertise.

Tata Salt

Tata Salt is the flagship brand of our consumer business. Tata Salt pioneered the salt iodisation in the country being the first branded iodised salt, and now is the market leader in the category. Tata Salt reaches 100.6 million households annually, through its retail presence in 14.5 lakh outlets across the country. With a Brand Equity Index of 7.3, Tata Salt features in the World's Top 6% brands according to the winning brands model audit conducted by independent research agency Nielsen. The trust that consumers have reposed in the brand over so many years manifests in awards and accolades that the brand receives. Tata Salt has been rated as one of the top 2 food brands in India as per the Economic Times Brand Equity Most Trusted Brands Survey 2012 and was awarded the prestigious "Hall of Fame" award by Brand Equity in 2010.



Tata Salt is an iconic brand and has a resonance with consumers which very few brands can boast of. We are at a very exciting place in the brand's journey, with ambitious growth plans for the mother brand Tata Salt, and focussed growth strategy for our brand extensions in speciality salts (low sodium, iron fortified and flavoured salt).

Jyoti Patankar, Product Manager | Tata Salt

i-Shakti Dals

At the core of **i-Shakti unpolished pulses** lies the promise of wholesome nutrition provided by natural farm fresh pulses, which do not undergo any oil, water, leather polishing – unlike the plethora of polished pulses available in the market today. i-Shakti unpolished pulses have higher protein content and lower moisture. They also have pleasant aroma and taste compared to polished dals. i-Shakti unpolished pulses have a growing presence in the country and are now available in 25000 outlets. i-Shakti pulses have been voted Product of the Year in Food Segment by over 18,000 consumers in the Nielsen Product of the Year survey. It has also been conferred the "Emerging Brand" award by the World Brand Congress in February 2013. With the focus on a segment which prefers home delivery of products, "Dal-on-Call" was launched last year, with an objective to deliver the product to the consumer's doorstep.



Free Home Delivery

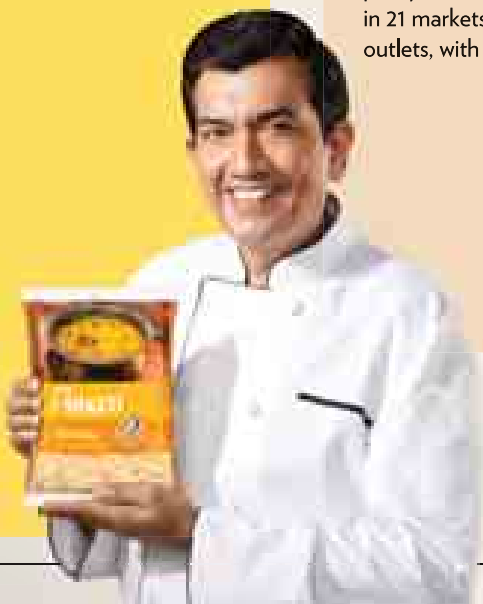
1800 108 4488

Cash On Delivery

To order call on Toll Free No. 1800 108 4488 or email us on daloncall@tatachemicals.com
Service available in Mumbai and Delhi

i-Shakti Besan

In November 2012, the Company launched **i-Shakti Besan** (chickpea flour), as an extension of i-Shakti pulses. Our AGMARK certified besan, provides the consumers with a quality product made with 100% chana dal (chickpea flour), with the promise of right taste and purity. i-Shakti Besan has been launched in 21 markets and is present in over 9000 outlets, with national growth plans.



Tata Salt Lite

Tata Salt Lite is a 15% low sodium salt. It is made using vacuum evaporated salt and is enriched with potassium, along with requisite amount of iodine.



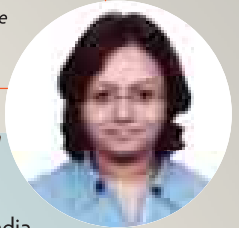
Tata Salt Plus

Tata Salt Plus is an iron fortified iodised salt, which provides upto 50% of your daily iron requirement, along with iodine.



Tata Swach Silver Nanotech Water Purifier has been a revolutionary advancement in the affordable water purification category. Over 2012, Tata Swach has established this platform through 360 degree ATL and innovative BTL activities for brand communication to provide a simple-to-use, water purification mechanism to every Indian household.

Amrita Dey, AGM - Marketing | Tata Swach



Tata Swach

70% of health disorders and disease in India are waterborne owing to the erratic and poor quality of drinking water available in most parts of the country. Tata Swach is the advanced, point-of-use water purification solution that protects consumers from harmful waterborne diseases. Tata Swach is equipped to remove 100 crore bacteria and 1 crore viruses from 1 litre of water. At 15 paise/litre of purified water Tata Swach aims to make safe drinking water accessible and affordable. Tata Swach has reached over 1 million households since inception. It has been voted 'Product of the Year' in the water purifier category by over 30,000 consumers in the Nielsen Product of the Year survey.



Flavoritz

Flavoritz is a range of flavoured salts and pepper that are available in three variants, Lemon Coriander, Red Paprika and Onion Garlic. The tanginess of lemon, the freshness of coriander and the fiery zest of paprika add a twist of flavour to regular dishes, making them more appetising.



A new member of the Flavoritz family is Black Pepper, a spice widely used to flavour soups, salads and a variety of other dishes.

Black Pepper



i-Shakti Salt

Launched in 2006, i-Shakti Salt was introduced to increase our contribution to salt iodization movement in the country and provide an opportunity to the masses to access good quality iodized salt at an affordable prices. This provided a platform for up-gradation to users of loose salt and local branded salts, which may not provide a consistently dependable quality of iodized salt. i-Shakti Salt is reaching 49 million households annually through 5 lakh retail outlets across the country. i-Shakti Salt is recommended by International Council for Control of Iodine Deficiency Disorders (ICCID).



i-Shakti-Cooking Soda

A godsend for the health-conscious consumer, i-Shakti Cooking Soda promises purity and hygiene among other product benefits. Quality ingredients are essential for healthy cooking; and with the availability of a 'food grade' marked product like i-Shakti Cooking Soda, consumers are assured of superior quality.



i-Shakti Unpolished Pulses give the consumer a wholesome nutrition source, which I think is very relevant in today's day and age where consumers are increasingly looking for healthier options, along with convenience. The challenge for us would be to create awareness about goodness of unpolished pulses and the benefits which they have over polished pulses. We are enthused by the response that we have received from the consumers in product acceptance and we are looking forward to a promising year ahead for the brand, for pulses as well as for variants like Besan.



Martin Jojo, Product Manager | i-Shakti

■ Building Sustainable BRANDS

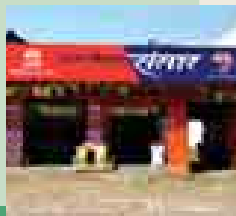


"Tata Kisan Sansar has changed the paradigm of rural agri-retail by developing a trustworthy relationship with farmers through customer service and sound practical solutions. It delivers on its promise of 'Krishi Aaye ke Sabhi Upay' through its wide range of agri-inputs and services and it's differentiated retail outlet takes the customer experience beyond mere transactions."

Asad Ahmed, Senior Manager | Marketing Services

Tata Kisan Sansar

This pioneering franchisee rural retail network ensures a direct contact with farmers to educate on right farming practices and products. 800 **Tata Kisan Sansar** franchisee stores spread across 7 states in the north and east enable rural entrepreneurship amongst the local community and serve as a one-stop shop for providing the full range of quality agri-inputs and services to the farmers. 21 Supreme Tata Kisan Sansar outlets have also been rolled out in 2012-13 which showcase the complete range of products and services and provide a differentiated retail experience to the farmers.



TKS Crop Protection

Tata Chemicals crop protection portfolio is offered to the farmer through the **TKS brand**. The brand provides all categories of crop protection viz – Insecticides, Herbicides and Fungicides. This ensures that the brand is positioned as a solution provider for a variety of pests in a cross section of crops and crop categories.



Tata Paras

Tata Chemicals provides the widest range of crop nutrition products under the flagship brand of **Tata Paras**. This range includes bulk fertilisers, specialty fertilisers, organic and plant growth promoters to meet the nutrition requirements of a variety of field and horticultural crops as well as improving the soil conditions.

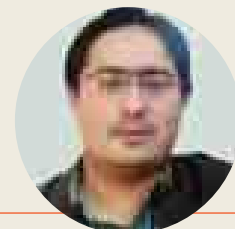
Pioneering innovation, Tata Chemicals has also launched the country's only customised fertiliser based on regional crop and soil requirements for 31 districts in UP. Tata Paras truly is the brand of choice for crop nutrition needs of the Indian farmer.



"Our vision of providing high-quality agri-inputs to our core users is reflected in the addition of TKS brand of crop protection in our portfolio. The high growth of TKS crop protection by over a 100 percent in the last 1 year is testimony to the absolute faith placed by the users of the brand, cutting across geographies and cropping systems."



Surendra Pal, Deputy Manager | Crop Protection



"In over 25 years of serving the Indian Farmer, Paras has consistently been the brand of preference in its operating geographies. It commands the highest loyalty among all user bases and provides an assurance of quality and prosperity to the farmer. In line with farmer's evolving needs, Paras has introduced the widest range of specialty fertilisers and redefined the Tata Paras crop nutrition space with its diversified and innovative basket of offerings, and a healthy revenue stream that aspires to double in the next 4 years."

Ramandeep Singh, Senior BDM | Specialty Fertilisers

"MEGABRAND initiative was launched in the year 2011, with an objective to strengthen the brand equity of our potential products. 29th March 2013 – is a momentous & proud occasion for every Ralli-ite – ASATAF Attained 1st MEGABRAND. This is just the beginning. Our plans are aligned to make other potential products also, reach Megabrand status."



Haribabu Pedarala, Group Product Manager | Rallis India

Rallis Brands

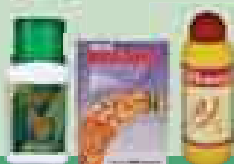
ASATAF, an insecticide is a flawless solution against sucking pests and helps protect crops like cotton, paddy, fruits & vegetables. Since its inception in 1985 till today, ASATAF has helped farmers tackle crop protection issues through the introduction of products like synthetic pyrethroids, Neo-nicotinoids, new age molecules like Buprofezin & other lepidopteran insecticides. ASATAF's rise as a brand is a result of innovative solutions to the numerous business challenges overcome along its journey.



INSECTICIDES



HERBICIDES



FUNGICIDES



PGN



Cement

Innovative thinking and dedication to environmental responsibility lead to the development of **Shudh Cement**. Manufactured using by-products like limestone and calcium generated during the manufacture of soda ash, it performs exceedingly well in complying with quality norms and specifications prescribed by the Bureau of Indian Standards.



Sodium Bicarbonate

TCL manufactures sodium bicarbonate suitable for pharmaceutical and industrial use and as a food additive. It pioneered India's first-ever food grade sodium bicarbonate branded as **Sodakarb™** and the country's first animal feed grade sodium bicarbonate under the brand name **Alkakarb®**. Focused efforts on building a global brand has made Tata Chemicals Europe one of Europe's largest manufacturers of sodium bicarbonate and **Briskarb®** a special grade flue gas treatment reagent.

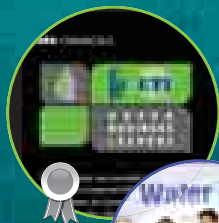


"It is very heartening to see the success and continuous growth that our brands enjoy both in home and export markets. Our brands help control pollution through Briskarb, improve growth and productivity in animals and poultry through Alkakarb, offer an effective leavening agent in the form of Sodakarb and build strong homes through Tata Shudh Cement. As these brands continue to scale new heights in future, we also plan to add few more brands that would help improve human health."

Shohab Rais, Head - Sales & Marketing | Chemicals

Awards and RECOGNITIONS

Corporate Sustainability & Safety Health & Environment



- Prestigious FE-EVI Green Business Leaders Award 2012



- FICCI Water Awards 2012



- CNBC Asia's India CSR Award



- Awarded 'Sustainability Plus'- the World's First Corporate Sustainability Label by CII



- CII - ITC Sustainability Award

- Recognised in the Carbon Disclosure Leadership Index in Carbon Disclosure Project in 2012

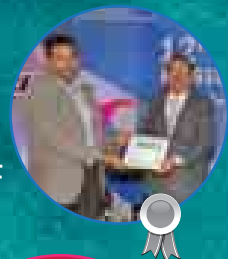
Communications

- 5 Awards at the Annual ABCI Awards

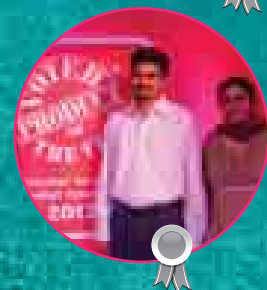


Product

- CII Design Excellence Award 2012 for Tata Swach



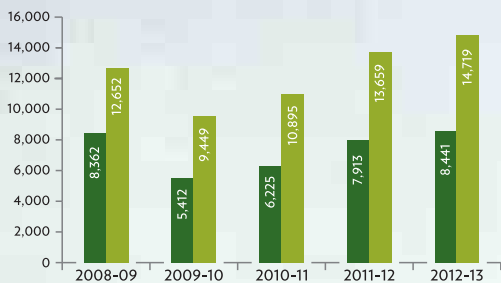
- Tata i-Shakti Pulses voted as the Product of the Year 2012



PERFORMANCE HIGHLIGHTS

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

TURNOVER*



CAGR[‡]: Standalone = 0% Consol = 4%

■ Standalone ■ Consol

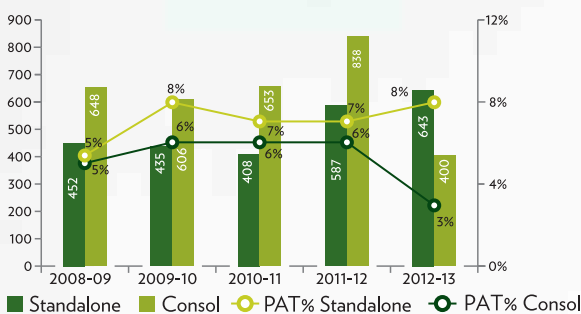
EBITDA AND EBITDA %**



CAGR: Standalone = 2% Consol = 2%

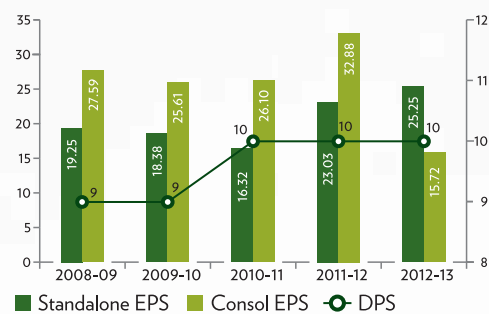
■ Standalone ■ Consol ● EBITDA% Standalone ● EBITDA% Consol

PAT AND PAT %®



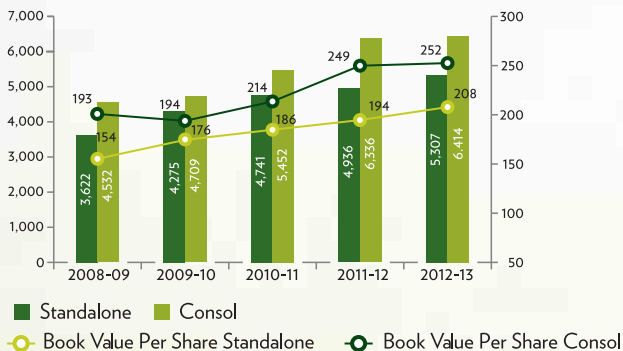
■ Standalone ■ Consol ● PAT% Standalone ● PAT% Consol

EARNING PER SHARE (EPS)® AND DIVIDEND PER SHARE (DPS)



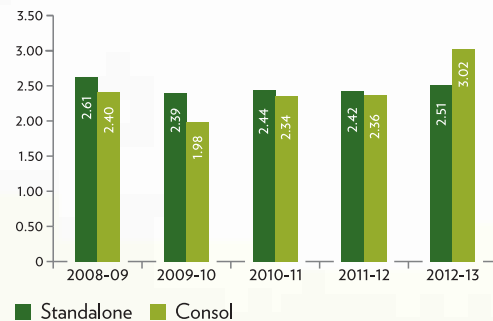
■ Standalone EPS ■ Consol EPS ● DPS

NET WORTH AND BOOK VALUE (BV) PER SHARE



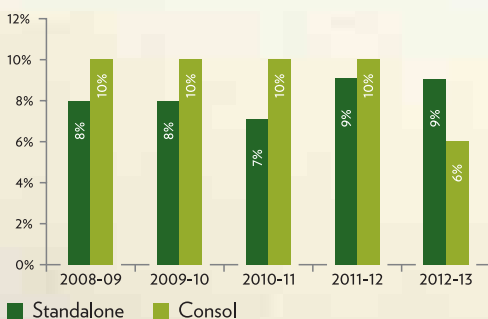
■ Standalone ■ Consol ● Book Value Per Share Standalone ● Book Value Per Share Consol

NET DEBT[#]/EBITDA**



■ Standalone ■ Consol

RETURN ON INVESTED CAPITAL***



■ Standalone ■ Consol

MARKET CAPITALISATION AND SHARE PRICE



■ Market Capitalisation ● Share price

* Turnover = Income from sales - Excise duty

‡ Turnover for FY 2008-09 was higher due to increase in the price of fertilisers and higher trading activities.

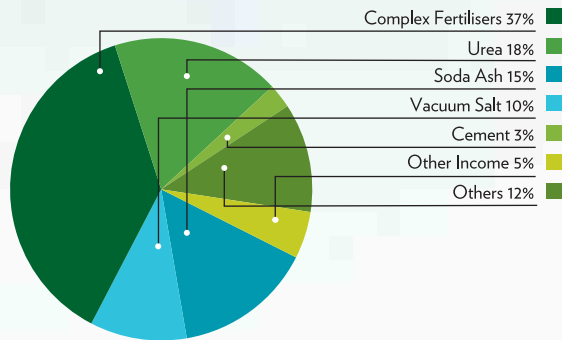
**EBITDA excludes other income, foreign exchange losses on borrowings (net), voluntary retirement scheme cost, impairment losses, actuarial gains/losses for overseas pension liabilities and restructuring costs.

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

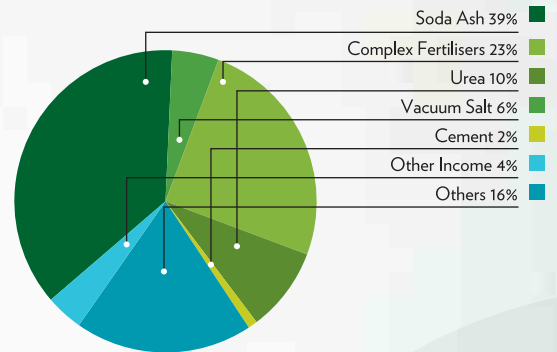
Net debt = Long-term borrowings + Short-term borrowings + Current maturities of long-term debts and finance lease obligations - Cash and cash equivalents - Current investments

***Return on Invested Capital = [(PAT + Minority interest + Interest - Tax on interest)/(Shareholders' funds + Borrowings + Minority interest)]

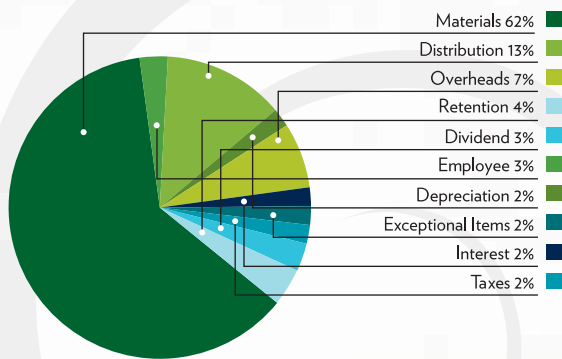
REVENUE BREAKUP - STANDALONE



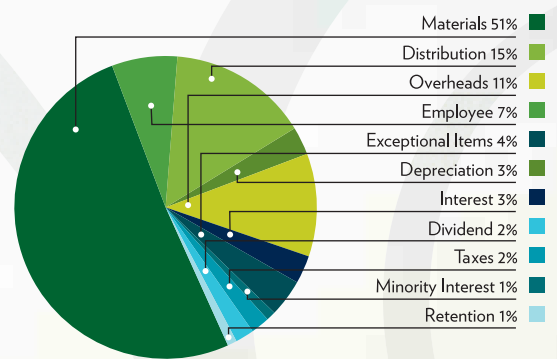
REVENUE BREAKUP - CONSOLIDATED



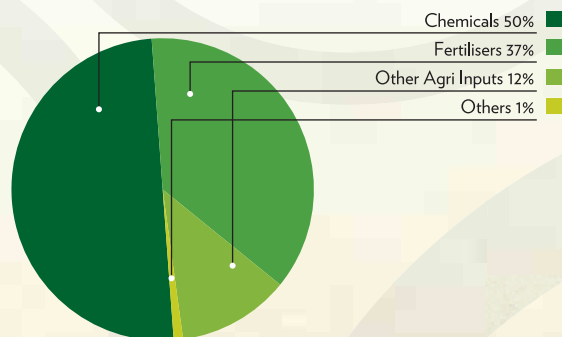
DISTRIBUTION OF TOTAL INCOME - STANDALONE



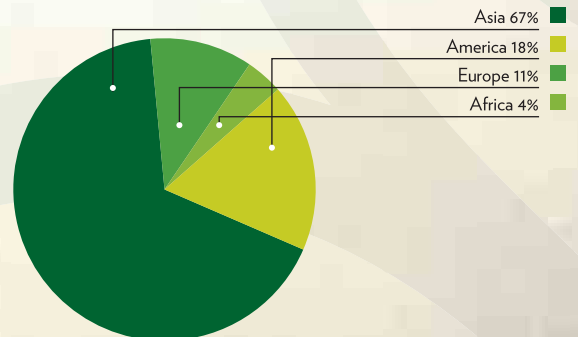
DISTRIBUTION OF TOTAL INCOME - CONSOLIDATED



SEGMENT REVENUE CONSOLIDATED



GEOGRAPHICAL REVENUE CONSOLIDATED



NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY FOURTH ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Monday, 26th August, 2013 at 3.00 p.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following businesses: -

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. Prasad R. Menon, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. Y.S.P. Thorat, who retires by rotation and is eligible for re-appointment.
6. To appoint auditors and fix their remuneration.

Special Business:

7. COMMISSION TO NON WHOLE-TIME DIRECTORS

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

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to the payment and distribution of a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, by way of commission to and amongst the Directors of the Company who are neither in the whole-time employment of the Company nor managing / executive director/s, in such amounts or proportions and in such manner as may be determined by the Board of Directors from time to time and such payments shall be made for a period of five years commencing 1st April, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

Notes:

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No. 7 is annexed hereto. The relevant details of the Directors seeking appointment / re-appointment under Item Nos. 3 to 5 above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
3. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.
4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit 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 Registrar and Transfer Agents, M/s. TSR Darashaw Private Limited.

Tata Chemicals Limited
6. Book Closure and Dividend:

The Register of Members and the Share Transfer Books of the Company will be closed from 14th August, 2013 to 26th August, 2013, both days inclusive.

7. The dividend, if declared at the Annual General Meeting, will be paid between 27th August, 2013 and 30th August, 2013 to those persons or their mandates:

- (a) whose names appear as Beneficial Owners as at the end of the business hours on 13th August, 2013 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) whose names appear as Members in the Register of Members of the Company on 13th August, 2013 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Transfer Agents on or before the aforesaid date.

8. Nomination Facility:

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

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

9. National Electronic Clearing Services (NECS):

To enable direct credit of the dividend amount into the Bank Account as per the Securities and Exchange Board of India circular dated 21st March, 2013, the Members are requested to update with their Depository Participant, the Bank Account details (including 9 digit MICR Code and 11 digit IFSC Code), in case the holding is in dematerialised mode. In case the shares are held in physical mode, the said details may be communicated to the Registrar and Transfer Agents, by quoting the Reference Folio No., and attaching a photocopy of the cheque leaf of the Bank Account and a self attested copy of the PAN card.

Alternatively, Members may provide details of their bank account quoting their folio numbers to the Company's Registrar and Transfer Agents to enable them to print such details on the dividend warrants.

10. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Transfer Agents, TSR Darashaw Private Limited, for assistance in this regard.
11. Unclaimed Dividends:
(a) Transfer to General Revenue Account

Pursuant to Section 205A(5) of the Companies Act, 1956, 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(s) for the said period, are requested to forward their claims in Form No. II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to:

Office of the Registrar of Companies
Central Government Office Building
'A' Wing, Second floor,
Next to Reserve Bank of India,
CBD, Belapur 400 614

(b) Transfer to the Investor Education and Protection Fund

Consequent upon amendment to Section 205A of the Companies Act, 1956 ("the 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, 2005 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 Act, no claim shall lie against the Company or the aforesaid Fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment. Any person / member who has not claimed dividend in respect of the financial year ended 31st March, 2006 or any year thereafter is requested to approach the Company / Registrar and 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, 2006 declared by the Company on 17th July 2006 can be claimed by the shareholders by 16th July, 2013.

It may also 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 shareholders by 26th July, 2014.

(c) Details of unclaimed dividend on the website

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts [as referred to in section 205C(2)] lying with the Company as on 22nd August, 2012 (date of the last Annual General Meeting of the Company) on the website of the Company viz. www.tatachemicals.com under 'Investor relations' as well as on the website of the Ministry of Corporate Affairs viz. www.iepf.gov.in. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said websites and lodge their claim with the Company's Registrar and Transfer Agents before the same is due for transfer to the Investor Education and Protection Fund.

12. E-mail Address:

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

The Annual Report 2012-13 of the Company circulated to the Members of the Company will be made available on the Company's website at www.tatachemicals.com.

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

By Order of the Board of Directors

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 27th May, 2013

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

Green Initiative

The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this Green Initiatives by registering / updating their e-mail addresses for receiving electronic communications.

Even after registering for E-communication, the shareholders of the Company are entitled to receive such communication in physical form, upon request.

Tata Chemicals Limited**EXPLANATORY STATEMENT**

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 7 of the accompanying Notice dated 27th May, 2013.

Item No. 7:

Section 309(4) of the Companies Act, 1956 provides that in case of Director who is neither Managing/Executive Director nor in the whole time employment of the Company, the members, may by a Special Resolution authorise the payment of commission for a period of five years.

At the Annual General Meeting of the Company held on 4th August, 2008, the members had approved under the provisions of Section 309 of the Companies Act, 1956, the payment of commission to Non whole-time Directors of the Company, not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956 for a period of 5 years from 1st April, 2008 to 31st March, 2013. It is now proposed to obtain the shareholder's approval for payment of commission to Non whole-time Directors for a further period of 5 years commencing 1st April, 2013, in the manner set out in the Resolution. This amount will be distributed amongst the Directors as may be decided by the Board.

The Directors commend the passing of the resolution at Item No. 7 of the Notice as Special Resolution.

All the Directors of the Company except Mr. R. Mukundan, the Managing Director and Mr. P.K. Ghose, Executive Director and CFO, are concerned or interested in the Resolution at Item No. 7 of the Notice to the extent of the amount that may be received by them.

By Order of the Board of Directors

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 27th May, 2013

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

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

Particulars	Mr. Prasad R. Menon	Mr. Nasser Munjee	Dr. Y.S. P. Thorat
Date of Birth	23rd January, 1946	18th November, 1952	11th November, 1947
Date of Appointment	30th October, 2006	25th September, 2006	8th January, 2010
Qualifications	B.Tech (Chem) IIT, Kharagpur	Masters in Economics from London School of Economics, UK	Ph.D-Shivaji University, Degree in Political Science, Degree in Law
Expertise in specific functional areas	Wide experience in Chemicals, Agro-Chemicals, Paints and Fertiliser Industry	Eminent Economist, Banker and Consultant on infrastructure	Wide experience in banking, rural credit co-operatives, micro finance
Directorships in other Public Limited Companies*	<ul style="list-style-type: none"> • Tata Industries Limited • Tata Projects Limited • Nelco Limited • Tata Power Solar Systems Limited • Tata Consulting Engineers Limited • Axis Bank Limited • The Sanmar Group • SKF India Limited 	<ul style="list-style-type: none"> • ABB Limited • Ambuja Cements Limited • Britannia Industries Limited • Cummins India Limited • Development Credit Bank Limited • HDFC Limited • HUDCO Limited • Go Airlines (India) Limited • Reid & Taylor (India) Limited • Shipping Corporation of India Limited • Tata Motors Limited • Tata Motors Finance Limited • Unichem Laboratories Limited • Voltas Limited 	<ul style="list-style-type: none"> • Khed Developers Limited • Sahayog Microfinance Limited • Menon Piston Limited • Menon Bearing Limited • IDBI-AMC • Rallis India Limited • Star Agri Warehousing Collateral Management Limited • NCDEX • Gokaldas Exports
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders'/Investors' Grievance Committee)	Audit Committee <ul style="list-style-type: none"> • Tata Projects Limited • Tata Industries Limited • Tata Power Solar Systems Limited • SKF India Limited 	Audit Committee <ul style="list-style-type: none"> • ABB Limited • Ambuja Cements Limited • Britannia Industries Limited • Cummins India Limited • HUDCO Limited • Tata Motors Limited • Unichem Laboratories Limited • Voltas Limited 	Audit Committee <ul style="list-style-type: none"> • Sahayog Microfinance Limited • Menon Piston Limited • Menon Bearing Limited • IDBI-AMC • Star Agri Warehousing Collateral Management Limited • NCDEX
No. of shares held in the Company	NIL	NIL	NIL

* Note: Excludes Directorships in Private Limited Companies, Foreign Companies, Section 25 companies and Government Bodies

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited

DIRECTORS' REPORT

TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their seventy fourth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013:

FINANCIAL RESULTS

(₹ in crores)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Total Income	8,895.47	8,304.82	15,276.61	14,011.08
Profit before Depreciation and Exceptional items.....	1,208.72	1,122.13	2,116.78	2,044.47
Less : Depreciation	214.29	224.68	533.88	508.68
Less : Exceptional items.....	169.06	133.10	669.87	152.36
Profit Before Tax	825.37	764.35	913.03	1383.43
Tax	182.05	177.75	302.52	343.92
Profit After Tax	643.32	586.60	610.51	1039.51
Minority Interest	-	-	207.03	199.46
Share of Loss in Associates.....	-	-	3.08	2.46
Profit attributable to shareholders	643.32	586.60	400.40	837.59
Add:				
Balance in Statement of Profit and Loss.....	2,178.99	1,943.42	3,078.33	2,666.37
Other Adjustments.....	-	0.40	-	(19.76)
Amount available for Appropriation	2,822.31	2,530.42	3,478.73	3,484.20
Appropriations -				
(a) Proposed Dividend	254.76	254.76	254.76	254.76
(b) Tax on Dividend	39.70	38.01	48.50	64.50
(c) General Reserve	64.33	58.66	76.27	68.80
(d) Debenture Redemption Reserve.....	-	-	12.50	12.50
(e) Transfer to Other Reserves.....	-	-	-	5.31
(f) Balance Carried forward	2,463.52	2,178.99	3,086.70	3,078.33
	2,822.31	2,530.42	3,478.73	3,484.20

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 Equity Shares of the Company.

PERFORMANCE REVIEW

The net revenue from operations of the Company increased from ₹ 7,996.25 crores to ₹ 8,529.87 crores, registering a growth of 6.7% over the previous year. Profit before tax was ₹ 825.37 crores whereas the Profit after tax was at ₹ 643.32 crores, an increase of 8.0% and 9.7% respectively, over the previous year.

The consolidated net revenue from operations increased from ₹ 13,815.03 crores to ₹ 14,858.83 crores, an increase of 7.6% over the previous year. On consolidated basis, the Profit before tax was ₹ 913.03 crores whereas the Profit after tax before Minority Interest and share of Loss in Associates was at ₹ 610.51 crores, a decrease of 34% and 41.3% respectively, over the previous year. Profit attributable to the Group after deducting the minority interest and share of loss in Associate was at ₹ 400.40 crores, a decrease of 52.2% over the previous year.

Tata Chemicals Limited's (TCL or the Company) 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 fertilisers, (3) Other Agri-inputs including Rallis India Limited's operations and (4) Others - comprising Water Purifier, Nutritional Solutions and Pulses. Performance review of these businesses are as under:

1. INORGANIC CHEMICALS SEGMENT

1.1 INDIA OPERATIONS:

During the year, the Company's Industrial Chemicals operation achieved sales of ₹ 1,779 crores compared to sales of ₹ 1,498 crores in the previous year.

The domestic Soda Ash market witnessed a mixed year with strong growth, greatly buoyed by increase in imports. The first half of the year witnessed a surge of imports and robust support from detergent and glass industries. However, the second half of the year saw sluggish growth with downstream sectors reeling under market overcapacity. Pricing pressure continued to prevail in the market, with macro-economic pressures due to slower growth and tightening market dynamics.

The sodium bicarbonate market demand exhibited strong growth of around 16% after a flat market demand in the previous year. Even though domestic sales remained strong, the market absorbed very high bicarbonate imports.

In order to open up new markets and explore further growth avenues, the Company has engaged in trading operations in the Inorganic Chemicals space. The existing competencies of product quality, customer-connect and wide distribution network will be leveraged for new and related product establishment.

Soda Ash

The Indian soda ash demand grew substantially by 12% over the previous year with record-level of imports. In spite of trade measures coming into force this year, around 690,000 tons, primarily from Kenya, Bulgaria, China and Turkey, entered the market. Whereas the first half of the year witnessed strong demand support, the second half was affected by market overcapacity. The Company's production of soda ash at Mithapur during the year was 693,396 tons as against the previous year's figure of 690,181 tons. The Company also achieved its highest ever sales in the Indian market of 691,372 tons of soda ash during the year. The Company continues to support customer specific requirements and service market growth through material sourced from its subsidiaries and growing domestic sales volume reflect this.

Apart from operational streamlining and maintenance improvement practices as part of its continuous improvement initiative using Lean Six Sigma framework, the Company looked at newer ways of partnering with customers around the themes of sustainability and growth. Focus was laid on creation of sustainable supply chain solutions by adopting bulk movement of finished goods. Initiatives around site attractiveness and employee engagement are showing positive results evidenced by reduced attrition at the site.

Sodium Bicarbonate

During the year under review, the Company achieved the highest ever production of 86,724 tons of sodium bicarbonate as compared to the previous year's production of 80,285 tons. While this year saw record level of imports at around 20,000 tons, the Company maintained its market share of almost 50% with sales of 84,148 tons as compared to 81,381 tons in the previous year. During the year, the Company not only established the branded bicarbonate offerings in the domestic market but also forayed into exports of these products. 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. The overall Indian sodium bicarbonate market grew by around 16% during the year as compared to flat growth in the previous year.

Cement

The Gujarat cement market grew by 7% to 19.4 million tons during FY 2012-13. During the year, the Company achieved production and sales of Ordinary Portland Cement (OPC) at 440,750 tons and 435,108 tons, respectively. In addition, it also produced 81,699 tons and sold 82,150 tons of masonry cement during the year. Exploratory work is also being evaluated for niche cement variants and down-stream products.

Tata Chemicals Limited**Consumer Products - Salt and related products**

During FY 2012-13, the consumer products demonstrated strong performance by leveraging its distribution system and brand equity. During the year, sales turnover of the consumer products grew by 25% to ₹ 1,194 crores from ₹ 958 crores in the previous year.

Iodised salt production in Mithapur was 800,121 tons, up 28.6% from 621,933 tons in the previous year. Overall, branded salt sales grew by 7.7% from 868,525 tons in FY 2011-12 to 935,579 tons in FY 2012-13. Sales of Tata Salt grew by 11.4% in volume from 654,468 tons in FY 2011-12 to 728,829 tons in FY 2012-13. Tata Salt continues to be the largest distributed brand with a reach of 14.3 lacs retail outlets across India.

Sales of I-Shakti during the year was 187,686 tons. I-Shakti salt continues to meet the iodisation movement, complimenting Tata Salt. The Company's market share of its salt portfolio has increased to 66.8% in the National Branded Salt segment, up from 64.3% in FY 2011-12. Sales of Tata Salt Lite grew by 30.5% in volume from 8,338 tons in FY 2011-12 to 10,883 tons in FY 2012-13. Sales of I-Shakti cooking soda showed an encouraging growth of 48.6% with sales of 1,908 tons during the year as compared to 1,284 tons 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.,**

Tata Chemicals North America Inc., (TCNA) achieved gross sales of USD 479 million (₹ 2,604.64 crores) and EBITDA of USD 115 million (₹ 625.23 crores) for the year. These were lower by 0.4% and 6.5% respectively as against the previous year.

Soda Ash sales volume during the year were 2,343,055 tons as against the previous year volume of 2,376,161 tons as a result of improved operating equipment efficiencies. Global soda ash sales prices declined during the year primarily due to lower realised sales prices into the Asian and Latin American markets due to increased competition, reduced demand in Europe and lower capacity utilisation in China.

1.2.2 Tata Chemicals Europe

Tata Chemicals Europe achieved sales turnover of GBP 186 million (₹1,601.73 crores), similar to the previous year. EBITDA decreased by 10% to GBP 35 million (₹ 300.88 crores) reflecting lower soda ash sales and production volumes (which resulted in lower production efficiencies) primarily as a result of weaker soda ash market conditions and demand.

Soda Ash

Soda ash production was 734,581 tons, a decrease of 8.7% compared to the previous year reflecting weaker soda ash market conditions and demand. Production at both the soda ash facilities was adversely impacted by equipment unreliability and technical problems.

Sodium Bicarbonate

Sodium bicarbonate production was 93,952 tons, a decrease of 7.7% over the previous year was due to the weaker soda ash production volumes.

Salt

Salt (Purified Dried Vacuum) sales at 375,414 tons (down 12.1%) and associated other salt sales collectively generated an EBITDA of GBP 16.4 million (₹ 141.01 crores) with lower domestic winter demand due to unseasonably warm weather being the principal factor for the reduced sales volume.

1.2.3 Tata Chemicals Magadi Limited

During the year, Tata Chemicals Magadi Limited (TCML) achieved a sales turnover of USD 104.3 million (₹ 567.46 crores) as compared to USD 116.8 million (₹ 559.95 crores) in the previous year, and posted a negative EBITDA of USD 2.03 million (₹ 11.04 crores) as against USD 20.65 million (₹ 99 crores) in

the previous year. In the first quarter of FY 2012-13, unusually heavy rains flooded lake Magadi, severely affecting access to the raw material and ultimately affecting the soda ash production. In the second quarter of FY 2012-13, the Governments of India and Pakistan imposed an anti-dumping duty of approximately USD 20 / tons on all imported soda ash from Kenya. This action led to a delay in confirmation of orders by customers, a temporary disruption of TCML sales to these markets and a reduction in the sales price realisation. EBITDA for the year was also affected by one-time fixed costs of USD 2.4 million (₹ 13.06 crores).

Despite the prevailing adverse conditions described above, production performance of the Premium Ash (PAM) plant stabilised and significant improvements were achieved in efficiencies for fuel and power usage. In addition, TCML continued to focus on operating effectiveness and efficiencies with initiatives such as Lean Six Sigma. Conversion to coal gasification in lieu of heavy fuel oil is on course with the primary aim to achieve long-term sustainable competitive advantage.

2. FERTILISER SEGMENT

2.1 CROP NUTRITION AND AGRI BUSINESS

Crop Nutrition and Agri business comprises of 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) and DAP and supply 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. During the year, the Crop Nutrition and Agri business operations of the Company achieved a turnover of ₹ 5,669 crores as against ₹ 5,641 crores in the previous year.

Urea

During the year, Babrala plant achieved a total Urea production of 1,127,421 tons, lower by 38,136 tons compared to the previous year due to the plant shut down taken for maintenance purpose during the year. The specific energy consumption level of plant improved during the year to 5.218 GCal / tons as against 5.315 GCal/tons, aided by lesser number of interruptions.

Complex Fertilisers (DAP / NPK / SSP)

During the year, Haldia plant achieved a combined production of 661,149 tons of DAP, NPKs and SSP as against the previous year's production of 708,230 tons. The sales of DAP, NPKs and SSP were 657,123 tons as against 711,458 tons in the previous year. The reduction was due to the prolonged stockouts resulting from difficulties in finalising raw material prices when prices were falling.

Imported Products (DAP / MOP)

The financial year opened with higher than normal stocks of DAP in the domestic market. During the year, DAP saw sharp increase in farmer prices. These two factors alongwith the drought situation led to a slowdown of imports. At a country level, the DAP imports fell by 36% while complex imports fell by 90%. MOP imports were only 56% of the previous year, as there were no fresh price agreements during the year and all the arrivals were previous year's contracts.

During the year, while the Company did not import any complex fertiliser, it sold imported DAP of 324,313 tons as against 284,773 tons in the previous year. The Potassic sale was only 38,356 tons as against 160,425 tons in the previous year. This drop was due to delayed negotiations on the price with the suppliers.

Specialty Crop Nutrients and Agri Inputs

Inspite of farmers being faced with increase in prices of basic fertilisers, the Company could manage to hold its place in this segment, driving growth in the new geographies of West and South.

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 – Paddy, Wheat, Potato and Sugarcane.

The sales of Customised Fertilisers during the year were 18,701 tons as against 54,173 tons in the previous year. This drop was due to sharp increase in prices caused by high input prices. The Company believes that, this being a new concept, would be promoted in a phased manner and will slowly gain acceptance.

Tata Chemicals Limited
2.2 TATA KISAN SANSAR

The traditional sales channel has now been extended throughout India. In addition, the Company also operates retail outlets under the brand of Tata Kisan Sansar (TKS) in the Northern and Eastern parts of India. These franchisee outlets act as one-stop shop offering quality agricultural inputs and agri solutions such as advice on crops, application services and farming process.

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 the entire range of Pesticides.

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

3. OTHER AGRI INPUTS
Rallis India Limited (Rallis)

Rallis posted consolidated revenues of ₹ 1,458.18 crores during the year, registering a growth of 14.4% over the previous year revenues of ₹ 1,274.87 crores. Profit before tax, on a consolidated basis, was ₹ 172.29 crores, which was 15.3% higher than the profit before tax of ₹ 149.39 crores during the previous year. EBITDA percentage on a consolidated basis, was 14.7% for the year under review.

The domestic formulation business registered a modest growth of 8% over the previous year, due to seasonal aberrations in crops like paddy and pulses. The International Business Division also registered an increase of 8% in sales as compared to the sales during the previous year and it comprised 33% of the total revenues of the company during the year.

Rallis is also building up a significant presence in seeds through its subsidiary, Metahelix Life Sciences Limited and in plant growth nutrients, to enhance crop productivity and increase income of the farmers.

4. OTHERS
4.1 Water Purifier

The Tata Swach Silver Nanotechnology is a technological innovation which brings together traditional science and modern chemistry to address one of the biggest social challenges in the world – that of making safe water accessible and affordable for millions. Tata Swach range of household water purifiers had a promising run in FY 2012-13 with the launch of a new variant in the offline segment. The business has focused on strengthening its reach across the country through alternate channels and public-private partnerships.

4.2 Pulses

In FY 2012-13, leveraging on its extensive distribution network, Tata I-Shakti Pulses grew by 26.6% in volumes over the previous year making the product available across 21 States. During the year, the Company focused on brand building activities and consumer awareness campaigns for promoting Tata I-Shakti unpolished pulses. Tata I-Shakti pulses was conferred “Emerging Brand” by the World Brand Congress and also adjudged “Product of the Year 2013” in the packaged food category. In its endeavour to launch value-added products, the Company has launched Tata I-Shakti – 100% chana dal besan, in 8 cities.

4.3 Wellness (Nutritional Solutions)

The Company has forayed into Nutritional Solutions business and its new plant is being set up near Chennai and will commence trials during FY 2013-14. The facility is being designed to produce 300 tons p.a. that can be scaled up to 1000 tons p.a.

The first set of products will include soluble fibres (short chain oligosaccharides such as Fructo-Oligosaccharide (FOS)) to promote gut health. These will be produced using unique and patented biotechnology processes that were developed at the Innovation Centre. Such dietary fibres also known as Prebiotics, provide a range of health benefits such as lowering the Glycaemic Index (GI) and reducing total calories when incorporated in food formulations. The targeted major customer segments would be food, feed and pharma companies.

5. JOINT VENTURES AND ASSOCIATES
5.1 Indo Maroc Phosphore S.A. (IMACID)

IMACID is a joint venture company established in Morocco 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 was 326,501 tons as against 329,173 tons of the previous year. The lower production was on account of lower product demand, shutdown of the plant for 2 months during the first quarter of the FY 2012-13 and also from 22nd March, 2013 due to adverse market conditions. The plant resumed operations in the first week of May, 2013.

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 set up commercial seed orchards in India and Indonesia and has established tie-ups with tissue culture labs at various locations to produce and market high yielding Jatropha seedlings. JOil acquired a tissue culture facility in Indonesia. Through this JV, the Company has secured exclusive marketing rights for JOil's Jatropha seedlings in India and East Africa and a preferential price for seedlings it requires for its own cultivation of Jatropha.

JOil achieved an income of S\$ 1.15 million in 2012-13 as compared to S\$ 1.40 million in 2011-12. The net loss for FY 2012-13 was S\$ 7.08 million as compared to S\$ 10.04 million in FY 2011-12.

5.3 Natronx Technologies LLC

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 construction of a 450,000 tons per year ground trona operation. Natronx 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. As a result of slowdown in US economy and job growth during the year 2012, a US election year, a number of government agencies including the US Environmental Protection Agency and various state regulatory offices revised the start dates for certain air emission regulations, including the Cross State Air Pollution Rule, which has delayed the expected demand growth for dry sorbent injection by an estimated 18-24 months, thus negatively impacting Natronx sales demand and production timetable.

5.4 Khet-Se Agriproduce India Private Limited

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

Khet-Se operations were suspended in September 2011 in view of the unviable business proposition, market conditions, mounting losses and the company's financial position. During the year, the Company divested its entire 50% shareholding in Khet-Se.

5.5 EPM Mining Ventures Inc.

The Company through its overseas subsidiaries owns a 25.70% stake in EPM Mining Ventures Inc. (EPM), a company listed on the Toronto Stock Exchange, Canada. EPM is an exploration-stage pre-revenue potash development company. Controlling over 123,000 acres on the Sevier Lake in Millard County, Utah, EPM expects to develop a world-class mining site. The project intends to produce Sulphate of Potash (SOP - fertiliser) and other beneficial minerals using an environment-friendly solar evaporation process.

REORGANISATION OF GLOBAL CHEMICALS BUSINESS

During the year, the Company had completed its global reorganisation initiative. Through this, the offshore chemical entities which included Tata Chemicals Europe, Tata Chemicals Magadi and Tata Chemicals North America were brought under a single holding company viz. Tata Chemicals International Pte Limited, Singapore (TCIP) through the existing step-down subsidiaries. TCIP has been granted International Head Quarter status by the Economic Development Board, Singapore.

With a view to reduce the number of intermediate holding companies, the Board of Directors of the Company at its meeting held on 8th February, 2013 has approved the amalgamation of its wholly owned subsidiary Homefield International Pvt. Ltd, Mauritius with the Company. In this regard, the Company has filed necessary applications with the Securities and Exchange Board of India and the Stock exchanges.

Tata Chemicals Limited**FINANCE**

The repayment of the External Commercial Borrowing of USD 475 million, raised in March 2008 commenced during the current financial year. The first two instalments of USD 95 million each aggregating to USD 190 million were repaid on due dates.

Continued delay in disbursement of fertiliser subsidies resulted in an increase in the overall working capital. The increase in working capital has been funded through working capital facilities including buyers' credit. The outstanding balance of buyers' credit as on 31st March, 2013 was USD 220.34 million (₹ 1,196.10 crores). Further, pursuant to the Special Banking Arrangement made by The Department of Fertilisers, Government of India, the Company had availed a loan against subsidy receivables of ₹ 179.63 crores from the State Bank of India consortium during the month of March, 2013.

Despite the significant increase in working capital loans, the Company was able to contain the increase in interest costs as a result of better cash management and reduced cost of borrowing, which resulted in a marginal savings in interest cost of 3% (₹ 6.94 crores).

Post completion of reorganisation of its global holding structure, the Company's subsidiary, TCIP (holding company for overseas chemicals business) raised a debt of USD 200 million to discharge its liabilities towards the acquisition of the interest in the downstream overseas subsidiaries. The drawdown of the loan was made in two tranches of USD 100 million each during the months of December, 2012 and January, 2013, respectively.

During the year, Rallis India Limited, a subsidiary of the Company, has paid dividend of ₹ 21.42 crores to the Company. Further, Tata Chemicals North America Inc., a step-down subsidiary of the Company, has paid a dividend of USD 30 million (₹ 163.22 crores); which had been utilised to repay loans taken for financing the acquisition of EPM Mining Ventures Inc. and to make investments in Tata Chemicals Europe Limited. The Company's step-down subsidiary, Tata Chemicals South Africa Pty Limited has paid a dividend of USD 0.37 million (₹ 2.06 crores) during the year.

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 are 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 fulfillment of certain conditions from attaching the Balance Sheet of the Subsidiaries to the Balance Sheet of the Company without making an application for exemption. Accordingly, the Balance Sheet, 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 seeking such information at any point of time and are also available for inspection by any member of the Company at the Registered Office of the Company. The Annual Accounts of the said Subsidiaries will also be available for inspection, as above, at the Registered Offices of the respective subsidiary companies.

As on 31st March, 2013, the Company had 43 (direct and indirect) subsidiaries (5 in India and 38 overseas).

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

- Wyoming- 1 Mauritius Pvt. Ltd. ceased to be a subsidiary of the Company with effect from 23rd May, 2012 pursuant to the merger with the Company.
- Rallis has subscribed and acquired to equity shares representing 22.81% of the paid-up equity share capital of Zero Waste Agro Organics Private Limited (ZWAOP). Further, Rallis by virtue of the rights granted under the Shareholders Agreement dated 23rd April, 2012 appointed majority of Directors on ZWAOP's Board and as a result of which ZWAOP has become a subsidiary of Rallis with effect from 18th October, 2012.
- Broomco (4118) Limited, Broomco (4119) Limited and Broomco (4120) Limited, UK based subsidiaries were dissolved as on 7th August, 2012.

DIRECTORS

Mr. Ratan N. Tata has retired as the Chairman and Director of the Company on 28th December, 2012 in line with the Retirement Policy for Directors. Mr. Tata, through his global vision, bold and strategic leadership and commitment to the Company, transformed the Company from being a domestic soda ash company to a well-diversified company with global footprint. The Board placed on record its sincere appreciation for his invaluable guidance and contribution during his tenure as the Chairman and Director of the Company.

The Board, while taking into consideration Mr. Tata's invaluable contribution and great service to the Company, honoured him by conferring the title of Chairman Emeritus.

The Board has appointed Mr. Cyrus P. Mistry as the Chairman of the Board with effect from 28th December, 2012.

Mr. Prasad R. Menon, Mr. Nasser Munjee and Dr. Y. S. P. Thorat, Directors of the Company, are due for retirement by rotation and are eligible for re-appointment.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

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

INFORMATION TECHNOLOGY

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

AWARDS AND RECOGNITIONS

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

Corporate Sustainability and Safety Health & Environment

- Prestigious FE-EVI Green Business Leaders Award 2012
- FICCI Water Awards 2012
- CNBC Asia's India CSR Award
- Awarded 'Sustainability Plus'- the world's first corporate sustainability label by CII
- CII - ITC Sustainability Award
- Recognised in the Carbon Disclosure Leadership Index in Carbon Disclosure Project in 2012

Communications

- 5 Awards at the Annual ABCI Awards

Product

- CII Design Excellence Award 2012 for Tata Swach
- Tata I Shakti Pulses voted as the Product of the Year 2012.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(1)(e) of the Act, 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.

Tata Chemicals Limited**PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Act, 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 Company Secretary at the Registered Office of the Company.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the FY 2013-14. The members are requested to consider their appointment and authorise the Board of Directors to fix their remuneration. The auditors have, under Section 224 (1B) and Section 226 of the Companies Act, 1956 furnished a certificate of their eligibility for the appointment.

COST AUDITORS

M/s. N. I. Mehta & Co. and M/s. Ramanath Iyer & Co., Cost Accountants, were appointed as the Cost Auditors for the Financial Year 2012-13.

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 Financial Year 2011-12 onwards in XBRL (Extensible Business Reporting Language) format. The due date for filing of the Cost Audit Reports for FY 2011-12 was 28th February, 2013. The Company has filed the Cost Audit Reports with the Ministry of Corporate Affairs on 30th January, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz., 31st March, 2013 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

CYRUS P. MISTRY
Chairman

Mumbai, 27th May, 2013

ANNEXURE TO THE DIRECTORS' REPORT

Annexure 'A'

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

Disclosures

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

- Installation of variable frequency drive.
- Reduction in specific power consumption at compressor.
- Renovation of electrolyzers.
- Brick re-lining of Limekiln.
- Replacement of window air-conditioners (ACs) with more efficient split ACs.
- Cleaning Ammonia plant primary reformer waste heat recovery coils to improve heat transfer effectiveness.
- Provision of back flushing arrangement for Urea Exchangers to improve efficiency.
- Internal modification in pre-vacuum concentrator to improve efficiency.
- Advanced Process Controller in Captive Power Plant (CPP) to improve CPP efficiency.
- Provision of level control valve in Re-boiler make up line of ammonia plant to improve energy efficiency.

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

- New capital projects being done with energy efficient motors, energy efficient lighting, high efficiency distribution transformers.
- Energy Audits for power plant and cement plant conducted by Siemens Limited and ABB Limited. Recommendations are under evaluation.
- 120 Energy efficient motors of IE3 efficiency class installed at Sulphate of Potash pilot plant.
- Installation of Turbo-expander in fuel natural gas line to generate electric power in captive power plant.
- Installation of Casale trays in one of the Urea Reactors to improve conversion efficiency and to reduce steam consumption.
- Installation of facility to generate flow 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.

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

- Reduction of power consumption
- Reduction in green house gas emission
- Reduction in specific consumption of steam in Ammonia and Urea plant.
- Reduction of power consumption in Ammonia and Urea plant.
- Reduction of fuel natural gas consumption in Ammonia.

(d) Total Energy consumption per unit of production as per Form A:

Form A

The captive Steam Power plant at Mithapur is based on "Total Energy" concept, co-generating steam and power and therefore the cost of steam and power is shown as a composite number in the following calculation:

POWER AND FUEL CONSUMPTION

1 ELECTRICITY

(a) Purchased

Units (Kwh)

Total Amount (₹ Crores)

Average Rate (₹/Kwh)

(b) Own Generation

(i) Through Diesel Generation (Mwh)

Unit per litre of diesel

Cost per Unit (₹)

**Current Year
2012-13**

Previous Year
2011-12

399,29,924

441,15,696

26.64

28.44

6.67

6.44

—

—

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Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited
POWER AND FUEL CONSUMPTION

	Current Year 2012-13	Previous Year 2011-12
(ii) Through Power Plant Unit (Mwh)	—	—
Cost per Unit (₹/Kwh)	—	—
(iii) Through Steam Turbine/Generator Unit (Mwh)	4,94,145	4,70,260
Steam produced (tons)	51,73,630	48,04,594
Total Value of Electricity and Steam produced (₹ Crores)	418.46	406.64
(iv) Through Gas Turbine		
Units produced (Mwh)	1,65,309	1,76,252
Steam produced (tons)	11,05,271	12,30,021
Total Value of Electricity and Steam produced (₹ Crores)	108.84	142.38
2 Coal (specify quality and where used) (Mostly imported Coal received from various sources and "A" Grade Lignite are used in Boilers)		
Quantity (tons)	7,01,821	6,55,162
Total Cost (₹ Crores)	404.91	393.20
Average Rate (₹/tons)	5,769.42	6,001.55
3 Natural Gas		
Purchased - Standard Cubic Meter (SCM)	20,11,45,287.30	22,13,86,518.63
Total Cost (₹ Crores)	211.42	204.67
Average Cost (₹/SCM)	10.51	9.24
4 Regassified Liquified Natural Gas		
Purchased (SCM)	2,11,32,495.00	1,92,34,216.00
Total Cost (₹ Crores)	59.22	36.39
Average Cost (₹/SCM)	28.02	18.92
5 Naphtha		
Purchased (KL)	645.00	551.00
Total Cost (₹ Crores)	1.14	0.97
Average Cost (₹/KL)	17,656.00	17,655.93
6 Furnace Oil		
Purchased (KL)	1,361.00	1,190.00
Total Cost (₹ Crores)	6.03	4.34
Average Cost (₹/KL)	44,305.66	36,497.00
7 High Speed Diesel (HSD)		
Purchased (KL)	230.15	82.37
Total Cost (₹ Crores)	1.04	0.32
Average Rate (₹/KL)	45,187.92	38,766.00

**CONSUMPTION PER UNIT OF PRODUCTION
ELECTRICITY (Kwh/MT)**
STEAM (MT/MT)

	Current Year 2012-13	Previous year 2011-12	Current Year 2012-13	Previous year 2011-12
Soda Ash Light	190.34	172.33	3.73	3.63
Sodium Bicarbonate	55.97	56.57	0.84	0.89
Caustic Soda Evaporated	2,790.28	2,772.01	0.96	0.91
Vacuum Evaporated Salt	72.59	61.57	2.27	2.21
Cement	125.04	134.00	—	—
Urea	58.40	60.20	0.93	0.96
Ammonia	152.90	154.88	0.09	0.16
Sulphuric Acid	42.58	46.13	—	—
Phosphoric Acid	244.58	287.60	0.43	0.66

**CONSUMPTION PER UNIT OF PRODUCTION
ELECTRICITY (Kwh/MT)**

	Current Year 2012-13	Previous year 2011-12
Diammonium Phosphate	50.96	56.22
NPK Complexes	31.05	32.10
Single Super Phosphate	30.94	29.38
Furnace Oil Ltr/tons		
Diammonium Phosphate	2.21	1.11
NPK Complexes	2.06	2.47

STEAM (MT/MT)

Current Year 2012-13	Previous year 2011-12
0.06	0.08
0.05	0.05
—	—

B. TECHNOLOGY ABSORPTION

Form B

Research and Development (R&D)

- Specific areas in which R&D is carried out by the Company**
 - Kainite type mixed salt preparation from sea bittern.
 - Installation of 3 TPD SOP test bed pilot plant in progress.
 - Installation of Magnesium Oxide test bed pilot plant in progress.
 - Recovery of sodium chloride and Magnesium chloride from sea bittern.
 - Waste utilisation.
- Benefits derived as a result of above R & D**
 - Data generation for process scale up and commercial plant feasibility evaluation.
- 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.

	2012-13 (₹ in Crores)	2011-12 (₹ in Crores)
4. Expenditure on R & D		
(a) Capital	2.25	1.39
(b) Recurring	15.15	14.99
(c) Total	17.40	16.38
(d) Total R & D expenditure as a percentage of Total Turnover	0.21%	0.20%

Technology Absorption, Adaptation & Innovation

- Efforts made towards technology absorption, adaptation and innovation
- Benefits derived as a result of the above efforts

Imported technology

(a) Technology imported	None	Yes
(b) Year of import	NA	2012
(c) Has technology been fully absorbed?	--	Yes
(d) If not fully absorbed, reasons and future course of action	NA	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year 2012-13 (₹ in Crores)	Previous year 2011-12 (₹ in Crores)
1. Foreign exchange earned		
(a) Export of goods on FOB basis	28.57	56.03
(b) Dividend	-	100.28
(c) Miscellaneous Income	18.06	1.77
2. Outgo of foreign exchange Value of imports (CIF)		
(a) Raw materials and fuels	2,855.55	3,801.49
(b) Stores, components and spares	13.76	14.16
(c) Capital goods	27.31	87.46
3. Expenditure in foreign currencies	80.19	150.70
4. Remittance of dividends	41.22	39.05

Tata Chemicals Limited**MANAGEMENT DISCUSSION AND ANALYSIS****BUSINESS ENVIRONMENT****Global**

The world economy is expected to grow by 3.1% in 2013, the same as in 2012, as indicated by the International Monetary Fund (IMF). The IMF expects advanced economies to grow by 1.2%, while emerging economies are expected to grow by 5% in 2013.

Growth in the advanced economies is not expected to pick up, with growth in US projected lower at 1.7% (2.2% in 2012) and the Euro Area expected to remain stagnant at -0.6%. On the other hand, Japan is likely to show a slight improvement in growth to 2% from 1.9% in 2012.

While downside risks to global growth may have waned, the Emerging Market Economies (EMEs) are experiencing signs of a longer growth slowdown. Growth prospects in these economies are expected to be tenuous in 2013.

Even though some of the major economies show better growth, they would still be below the potential which was reached in the pre-crisis period. The biggest economy amongst EMEs i.e. China is estimated to grow by a steady 7.8% in 2013, the same as 2012. Looking ahead, it will be difficult to sustain the high growth rate should domestic consumption not expand.

Domestic

India's economy is estimated to have grown 5% during Financial Year (FY) 2012-13, down from 6.2% in FY 2011-12. It is expected to pick-up to around 5.6% in FY 2013-14 on the back of expected good monsoons, expected improvement in the savings-investment scenario, furthering of fiscal reforms along with supportive monetary policy, support to consumption from rural demand in a pre-election year and a slightly more supportive external economic environment. A normal monsoon in terms of both, its timing and geographic dispersion, is critical for agriculture sector output and demand. Despite the increase, growth is expected to remain below the potential of the economy, especially compared to the pre-crisis high-growth phase.

A major factor behind the downturn in the Indian economy has been a decline in the corporate investment and the household financial savings rate. High cost of capital, weak demand expectations of firms, problems in securing essential raw materials (especially coal and iron ore) and fuel linkages, problems in acquiring necessary clearances and land acquisition have collectively contributed to the weak investment scenario.

The decline in the savings rate is largely a result of lower corporate profits and government savings combined with a decline in household financial savings due to high inflation. Liquidity remained tight almost throughout the year. This coupled with large government borrowings deterred banks' ability to provide credit to the private sector. Interest rates also remained elevated. So far, the Reserve Bank of India has been conservative in reducing policy rates.

India's Current Account Deficit (CAD) was higher at 4.8% of GDP during FY 2012-13 compared to 4.2% of GDP during FY 2011-12, fuelled by rising imports of oil and gold. Large CAD, which rose to a record high of 6.7% in Q3 2012 contributed to the weakness of the Rupee which has averaged at 54.32/USD in FY 2012-13 as against 47.87/USD in FY 2011-12, a depreciation of 13.4%.

BUSINESS UNITS AND GROWTH STRATEGY

Tata Chemicals Limited ('the Company' or 'TCL') is a global company with businesses in chemicals, crop nutrition and consumer products and serves a diverse set of customers across five continents. Established in the year 1939 at Mithapur, the Company today has the world's second largest capacity in soda ash and is a pioneer and market leader in the Indian branded iodised salt segment. The Company is also a key producer of nitrogenous and phosphatic fertilisers in the private sector and markets a range of crop nutrition offerings under Tata Paras brand. The Company has significant presence in the market of crop protection products through its subsidiary, Rallis India Limited (Rallis).

With manufacturing facilities in India, UK, Kenya and USA, the Company is the world's most geographically diversified soda ash company with almost two thirds of capacity comprising natural soda ash giving it global

competitive advantage. The Company is also the fourth largest manufacturer of sodium bicarbonate in the world. In India, the Company's nitrogenous fertiliser plant is located at Babrala and phosphatic fertilisers plant at Haldia.

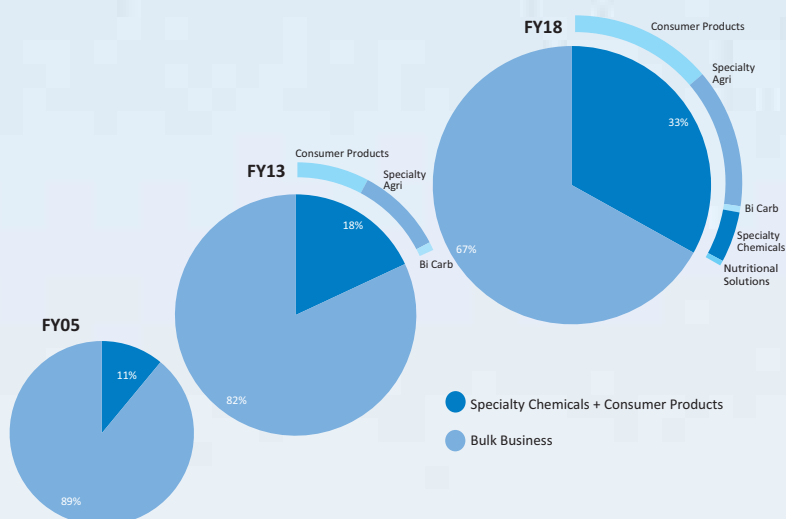
The Company is the second largest producer of soda ash in the world with over 5 million tons produced per annum. Soda ash contributes 39% of revenue on a consolidated basis. Global supply chain of the Company with manufacturing units in Asia, Africa, Europe and America provides a reliable and optimal partnership to its customers.

Sodium bicarbonate is a unique specialty product comprising around 5% of alkali chemicals portfolio. The Company intends to grow this business selectively to feed end-user markets across the value spectrum viz. pharmaceuticals, food, air pollution control and animal feed.

The plant at Babrala (Uttar Pradesh) is a 1.3 million tons urea plant which commands a 4% market share in the Indian market. The Haldia plant (West Bengal) with 0.67 million tons capacity produces Di-Ammonium Phosphate (DAP) / NPK and serves 3.5% of the Indian market. The Company has a joint venture in Morocco through a one-third stake in Indo Maroc Phosphore S.A., Morocco (IMACID) which supplies phos acid to Haldia. The Company also trades P and K fertiliser and runs a network of Tata Kisan Sansar franchises. Urea being a regulated business is dependent on government's policy on subsidy payments. P and K fertilisers even though deregulated are 100% dependent on imported raw materials and are subject to high volatility in the supply chain. The inventories are also subject to price volatility. Therefore, the fertiliser business poses huge challenges to the Company in terms of prices and profitability.

In order to create sustained shareholder value which capitalises on socio-economic changes in India driven by rapid urbanisation and consumer spending, the Company is planning to re-orient its product portfolio. In the industrial chemicals and fertilisers verticals, the Company proposes to drive cost leadership and new solutions. It is the intent of the Company to maintain tight control on capital / spends in these areas and to focus more on value creation through new solutions and service offerings. In consumer products, it proposes to expand the product portfolio to capture the opportunities in adjacent business segments such as pulses, spices and sodium bicarbonate based adjacent non-food / home care products. The Company has progressed its business interest in Nutritional Solutions and a manufacturing facility is being set up near Chennai. Other sub-sectors within Specialty Chemicals are under active evaluation. The Company's subsidiary, Rallis, plans to aggressively grow the specialty nutrients business which has seen accelerated growth in India in recent years. The aspiration of the Company is to be amongst the world's leading sustainable companies with a leadership position in Consumer Products and Specialty Chemicals businesses. The Company's aspirations to grow its Specialty Chemicals and Consumer Products businesses are depicted in the chart below.

TCL'S PORTFOLIO TRANSFORMATION JOURNEY



Tata Chemicals Limited**INORGANIC CHEMICALS**

The key products under the segment of Inorganic Chemicals are soda ash, sodium bicarbonate, cement and salt.

Soda Ash

With a capacity of over 5 million tons, the Company is the second largest soda ash manufacturer in the World with 8% global capacity share. About two-thirds of this capacity is based on natural soda ash. This unique feature helps the Company to have a low energy intensity and low environmental footprint. The Company's natural soda ash (derived from trona) operations are located at Lake Magadi in Kenya and at the Green River Basin of Wyoming in the USA where the world's largest deposits of trona occur. Synthetic soda ash and sodium bicarbonate are manufactured at 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 the 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 driver for soda ash over the past decade. With rapidly increasing GDP and urbanisation, these economies have experienced an increased per capita consumption of products using soda ash including flat glass (automobiles, housing), container glass (beverages), detergents, baked goods, clean water and sodium based chemicals. The global soda ash demand grew at 1.8% to 54 million tons in 2012. While majority of this growth was still in China, Chinese domestic demand growth did see a slowdown compared to previous years. Overall, world demand is forecast to grow at 4% p.a. through 2017, with flat glass line additions in developing regions fuelling this demand growth.



Global soda ash production capacity increased approximately 6% to 65 Million tons with most of the capacity addition happening in China. Some synthetic manufacturers like Penrice (Australia) and Solvay (WEP) have announced capacity closures this year. Overcapacity in the market continues to be region specific. China and Europe have more capacity than demand while the producers in US, Turkey and India are operating at high rates. World operating rates dropped from 86% in the previous year to about 83% during the year. World supply is forecast to grow at 3.7% p.a. through 2017, with China and Turkey leading this capacity addition.

Global soda ash prices increased in 2012 in the USA, India and Europe reflecting increased input costs across the world as well as tight soda ash supply in some of these regions. However, soda ash prices decreased in the major trading regions of Southeast Asia and Latin America as the U.S. producers gained market share primarily against the Chinese producers. By early 2013, pricing in these regions has largely stabilised as the U.S. producers find themselves near 100% capacity utilisation. Prices are expected to remain at current levels in the short term or see marginal upward revision in the second half of FY 2013-14.

In FY 2012-13, the Indian soda ash market witnessed two contrasting halves. The first half saw unprecedented growth of imports, inspite of trade measures becoming effective in April, 2012. The imports for FY 2012-13 were

at a historical high of around 690,000 tons. Low monsoon resulted in the detergent production not dipping during that period. Overall detergent growth was robust and most float and container glass units were operating at nearly full capacity. However, towards the latter part of the year, container glass units were operating at sub-optimal rates due to overcapacity and detergent end-use demand slowed down marginally. The domestic market witnessed an impressive overall growth of 12% for FY 2012-13, however, accompanied by reports of higher inventory levels with customers and in trade markets.

While another float glass line is expected to be commissioned in Rajasthan in FY 2013-14, it is estimated that the overall soda ash consumption in flat glass will not see an increase. It is expected that some float glass units and container glass units will continue production at reduced operating rates to counter market overcapacity pressures. Detergent demand is expected to improve on the back of end-use demand leading to an overall 4-5% p.a. growth in the Indian soda ash market over the next 5 years.

Sodium Bicarbonate

Sodium bicarbonate is commonly used as an ingredient in pharmaceuticals, food additives, animal feed and air pollution control. The Company is the world's fourth largest producer of sodium bicarbonate with about 6% capacity share (FY 2012-13) and is the market leader in India and UK.

In Europe, Tata Chemicals Europe's (TCE) sodium bicarbonate brands, Briskarb® and Alkakarb®, have wide market acceptance and an established position. In 2012, demand for sodium bicarbonate in the UK was 60,000 tons, a marginal decrease compared to 2011 as some pharmaceutical production moved overseas although they required TCE product. 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.

In India, sales were marginally higher during the year helping the Company achieve a market share of over 50% in the domestic market. 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. Growth drivers are reagent demand in alkali leaching of uranium ore and sustained incremental demand in the food and feed sectors.

Cement

The Company's cement plant was setup in the year 1993 to convert solid wastes generated as by-products of soda ash manufacture to value-added products. The Company uses technology to separate solid effluents and process them into Ordinary Portland Cement (OPC) and Masonry cement. Masonry cement enables the Company to convert its fly ash (generated in the power plant) into useful binding material. While the upward trend in raw material and freight costs is likely to be a key challenge for the business, the Company will continue to focus on catering to the nearby markets for maximising realisations.

Cement sales crossed 500,000 tons for the second time in 5 years in FY 2012-13, building upon the good performance in the previous year. This will continue to be supported by high regional growth rates of 9% estimated for FY 2013-14, up from 7% for FY 2012-13.

Salt

In India, the estimated current annual consumption of edible salt is approximately 5.7 million tons. The demand for edible salt is expected to grow at around 1.5% p.a. The private sector contributes over 88% of the salt production, the public sector has a share of about 2%, while the cooperative sector contributes the balance 10%.

The salt portfolio of the Company continued to grow in FY 2012-13 leveraging its brand equity and a strong distribution network. While continuing its leadership position in the packaged salt market, 'Tata Salt' was ranked second in the Most Trusted Food brands as per the Economic Times Brand Equity Survey.

Tata Salt has shown growth in southern India, with the Brand Equity Index (BEI) at 6.3, its highest ever level. This is also corroborated through growing sales in the southern market. 'Tata Salt Lite' continues to lead in the premium low-sodium salt segment, with a growing awareness and consumption driven by North Indian markets. All the salt brands continued to grow and together have achieved a market share of 66.8% amongst the national salt brands.

Seventy Fourth Annual Report 2012-13**Tata Chemicals Limited**

In the UK, white (or Purified Dried Vacuum or PDV) salt has two major markets i.e. food and water softening. While historically these two demand sectors have been boosted by road treatment for winter weather conditions, the market is less likely to require white salt for this purpose in today's more sensitised environment, therefore, these spot sales opportunities are becoming more limited.

UK sales volume remained flat as against the previous year with TCE holding market share of just over 50%. TCE has a key focus on providing high level of customer service to both the key sectors.

FERTILISER AND OTHER AGRI INPUTS

FY 2012-13 was a tumultuous year for many sectors including the agri sector. The first setback was in terms of a delayed and below average monsoon, which resulted in many states being affected by drought. This was followed by a series of economic tremors arising from various European countries with the impact being felt in India in terms of the sharp fall of the Rupee.

Food grain production in India is significantly dependent on the monsoon. FY 2011-12 witnessed above average rainfall in the country which helped to set a record for food grain production of 259 million tons. The deficit monsoon was expected to reduce this to 254 million tons in FY 2012-13, however the latest estimates are further lower at 250 million tons. The revised Minimum Support Prices (MSP) have, however, provided support to the farming community.

Adverse exchange rates combined with an increase in International prices of basic fertilisers in the early part of FY 2012-13 led to an increase in the farm-gate prices of de-controlled fertilisers. The increase in prices at a time when consumers were facing uncertainty in terms of monsoon led to a slowdown of Phosphatic fertiliser off-take from the market and a build-up of stocks at various points in the supply chain. The agriculture sector in India continues to experience labour shortages which will act as an incentive for increased mechanisation of operations, use of modern practices and agri inputs for productivity improvement.

The reduction in use of fertilisers in the Phosphates and Potash segments, driven by their high prices and poor monsoon have further aggravated the problems with respect to balanced nutrition. The increase in urea and other nitrogenous fertilisers have grown marginally by 2%. The low use of organic fertilisers continues to be an area of concern.

Fertilisers and Agri inputs constitutes a major segment of the Company's business in India. The Company along with its subsidiary Rallis has transformed into an integrated agri input player in the domestic market with a unique and diverse product portfolio ranging from basic and specialty nutrients, pesticides, seeds and farm services which are offered through a strong and experienced sales and distribution channel. The Company remains focused on providing high quality agri inputs and solutions to farmers that result in increase in productivity. The Company also plans to build on this relationship with the Indian farmer by sourcing specific crops for distribution to households through its consumer products distribution network.

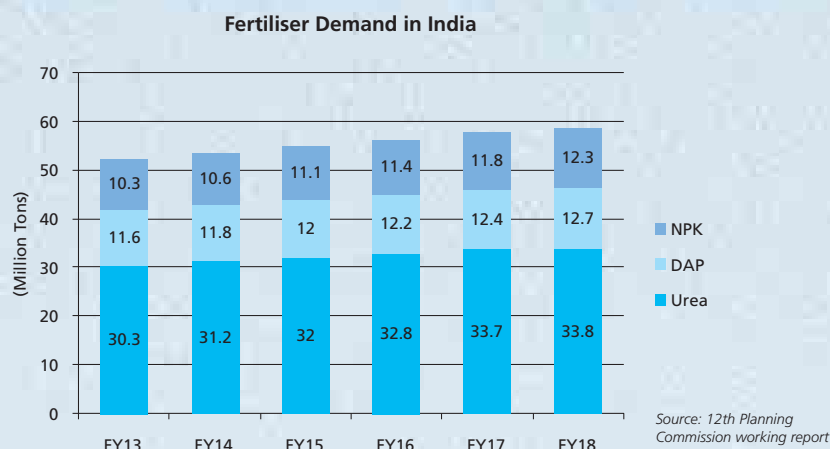
Rallis is a major player in the fast growing crop protection market in India. With Rallis' acquisition of Metahelix Life Sciences Limited (a research led seeds company), the Company has expanded its portfolio to seeds. TCL imports Muriate of Potash (MOP), Di-ammonium Phosphate (DAP), Specialty Fertilisers and other crop inputs which are sold through the Company's widespread sales and distribution network.

In addition to the conventional sales channel, the Company operates a dedicated retail network of 'Tata Kisan Sansar'. Similarly, Rallis operates a farmer connect program known as 'Rallis Kisan Kutumb' through which a large number of farmers are connected with the company to explore various opportunities of mutual interest.

The Government of India's continued focus on agriculture is evident from the number of new initiatives introduced in this sector in the Union Budget for FY 2013-14. These developments will help in spurring demand and augur well for the Company. The lower international prices and fertiliser subsidies announced for FY 2013-14 allow a reasonable reduction in the cost of fertilisers to the farmers in the phosphatic and potassic fertilisers. This should help the demand for these fertilisers in the current year.

With high food inflation, a substantial shift is being observed towards cash crops and some oil seeds, for example, soya bean and sunflower acreage has increased by more than 4% this year. Use of hybrid seeds, especially in crops like cotton, paddy and vegetables, is expected to further increase. Overall the outlook for FY 2013-14 looks encouraging subject to normal monsoon as predicted by the Government.

Fertiliser demand in India is shown in the chart below.



Urea

Urea imports into India exceeded the 8 million tons per annum mark in FY 2012-13. This figure may further rise marginally in FY 2013-14. The much awaited new Urea Investment Policy based on a fixed return policy with pass through of variable cost was finally notified in January 2013. However, the normative conversions cost under the current policy have been awaiting revision for the past three years.

Complex Fertilisers (DAP, NPK, SSP)

Since April 2010, the Phosphatic and Potassic fertilisers have been covered under the Nutrient Based Subsidy (NBS) Scheme. This move had impacted the Crop Nutrition and Agri business significantly, as under this policy the subsidy is fixed for a given financial year and any escalation during the course of the year is to be recovered from the market. At a country level, this policy has helped in ensuring availability of fertilisers. However, the strengthening global prices for DAP and MOP since April 2011 which continued to some extent in FY 2012-13 combined with the depreciating rupee led to a sharp increase in prices in the domestic market which in turn has caused some demand destruction. FY 2013-14 has commenced with a substantial pipeline of stocks across the Industry and thus, the demand recovery is expected to be slow.

As per the notification on the NBS for FY 2013-14, the Government intends to mandate the farmer prices (MRP) even in the decontrolled segments. In the event of any sharp increase in the raw material prices or weakening of the rupee, the manufacturers may not be able to quickly adjust the selling prices. In addition, the caution by the manufacturers and importers may adversely impact the availability of fertilisers whenever prices are strengthening.

Rallis

Rallis continues to have a significant presence in the crop protection segment with a wide portfolio of offerings in pesticides, herbicides and fungicides. With its subsidiary Metahelix Life Science Limited, a research based seeds company that has strong pipeline of products, Rallis has expanded its basket of offerings to the farmer.

Globally, the crop protection industry grew by 6.4% during the year 2012 to USD 47 billion. The growth in the industry can be attributed to the sustained high levels of crop commodity prices and the strengthening of the US Dollar. The Indian crop protection industry is estimated to have remained flat in FY 2012-13. The year started on a good note, but the season turned adverse from the middle of the year. Overall, the year was tough for the crop protection industry in India.

Tata Chemicals Limited

Rallis continues to strengthen its market position in India through intensified brand building, farmer relationships, alliances and new product introductions while simultaneously exploring opportunities in international markets. While continuing to focus on the crop protection business, Rallis also sees ample scope in providing agri services to the farming community and has taken several initiatives such as providing the Samrudh Krishi services to grapes, chilli and cumin farmers at various locations.

As a move towards sustainable agriculture, Rallis is increasing its focus on greener and cleaner products and in increasing agricultural productivity. Towards this, it is intensifying efforts to introduce better seeds through its subsidiary Metahelix Life Science Limited. The acquisition of Zero Waste Agro Organics Private Limited, a Maharashtra based company manufacturing scientifically prepared organic compost, has resulted in introduction of GeoGreen, a product derived out of wastes from the sugar industry, to improve deteriorating soil health and drive agriculture productivity. The technology supports sustainable agriculture and will help farmers in addressing the challenge of food security.

Customised Fertilisers

Customised fertilisers are knowledge based fertilisers carrying macro and micro nutrients designed for specific area and crop combinations thus, providing holistic solutions to deteriorating soil health. Its impact is on the nutrient use efficiency and help farmers realise full yield potential for all crops. The 12th Five Year Plan document on agriculture also explicitly talks about use of customised fertilisers for sustainable crop productivity. The Company has already taken a lead by commissioning the country's first customised fertiliser plant at Babrala in 2011. The Company has so far got four grades registered / approved for major crops like paddy, wheat, potato and sugarcane for certain specific geographies. While the farmers have given a favourable feedback on its convenience of use, increased yield as well as improved quality of the produce, sales have been poor due to the initial hesitation in adopting a novel product. The poor monsoon and drastically increased fertiliser prices over the last two years added to the farmers' hesitation to experiment with these products.

The Company intends to pursue these products in a phased manner targeting select clusters and focused education in those pockets, moving away from the initial approach of achieving larger volumes at early stages.

Trading

The Company continues to market bulk fertilisers and other farm inputs manufactured by other companies. The bulk fertiliser imports have the inherent risks of global price volatility, exchange rate volatility and high lead times. The Company will continue to focus in this area, but in a cautious manner and with limited tie-ups for supply. The other farm inputs business continues to be an area of interest for the Company and is growing as per the plan.

Subsidy payments

FY 2012-13 ended with a large amount of unpaid subsidy on account of the lower budget allocation by the Government of India. This has resulted in additional working capital pressure on the Company during the year. The budget allocation for fertiliser subsidy in FY 2013-14 also appears to be low and thus, it may adversely affect the working capital position in FY 2013-14 as well.

Tata Kisan Sansar and Rallis Kisan Kutumb

Tata Kisan Sansar, a dedicated network for distribution of agri inputs, is well established in North and East geographies. This concept offers "One Stop agri input shop" to farmers. Besides, it provides a credible, dependable shop whose products and services may be relied upon. Tata Kisan Sansar shops are franchised and located at block level for ease of access to farmers. They provide direct connect with the farmers to understand their changing needs and tailor products and services accordingly. Services like Soil Testing, Tata Kisan Parivar Membership (TKPM), Smart Krishi and Foliar Nutrition help build strong relations with the farmers. Currently, there are more than 700 Tata Kisan Sansars in operation.

Rallis' customer relationship building activities branded under the umbrella of Rallis Kisan Kutumb (RKK) has grown with successful introduction of key initiatives like Samruddh Krishi, expansion of MoPu (Grow More Pulses), State partnership, Prerna and others. These initiatives, along with customer centric promotional activities and a product

portfolio current with the market needs, has helped farmers to a great extent in protecting their crops effectively, improving quality and yield of produce and ultimately in improving their standard of living. The RKK today directly services over seven lakh farmers.

OTHERS:

Pulses

Grow More Pulses program now engages over 150,000 farmers across 4 states guiding them to improve the productivity of pulses and also source good quality pulses. The farmers associated with the program have experienced yield increase of 20-50% through the crop cycle.

As a natural extension to the unpolished pulses, the Company has launched Tata I-Shakti 100% chana dal besan. This provides more value addition to the end consumer. The product will soon be available across the country.

During the year, Tata I-Shakti pulses was conferred the "Emerging Brand" award by World Brand Congress and also adjudged "Product of the Year 2013" in the packaged foods category. 'Product of the Year' award is adjudged by a survey conducted by A C Nielsen across 18,000 consumers in over 36 cities.

The Company has launched a unique "Dal on Call" service which makes the Tata I-Shakti pulses available at the consumers' doorstep. Consumers can order Tata I-Shakti pulses directly over a call, website or email and it will be home delivered with no delivery charges. Consumers have the facility to pay cash on delivery. The service was launched in Mumbai and has been very well accepted by consumers. This service will soon be extended to other cities.

Water Purifier

As per ASSOCHAM estimates, the Indian water purifier market is expected to scale up to ₹ 7,000 crores by 2015 as against ₹ 3,200 crores at present. The industry is estimated to grow at a CAGR of 25% fuelled by low cost products and the large demand-supply gap of safe water at all India household penetration of less than 10%.

Tata Swach range of household water purifiers have had a promising run in FY 2012-13 with the launch of a new variant in the offline segment. Tata Swach brand was the recipient of the 'India Design Mark', awarded by the India Design Council in 2012.

Wellness (Nutritional Solutions)

There is an increasing understanding of how food plays a major role in ensuring good health, overall wellness and prevents rapidly growing lifestyle diseases. Consumer expectations from food are rapidly changing; food is expected to provide optimal calories and nutrition without sacrificing taste and simultaneously be beneficial from a health and wellness perspective. Increasingly, food is also being customised for individuals. Addressing all these expectations from food has led to the development of new categories of health food such as Functional Food, Dietary Supplements and Nutraceutical Food. These have also been formally recognised by regulatory bodies worldwide and recently in India, by the new food law viz. Food Safety & Standards Act 2006.

Formulating such health food products has raised the global demand for a range of macro and micro nutrient ingredients. India being a biodiversity hot spot with access to substantial traditional wisdom on a vast array of food is uniquely placed to innovate and meet this demand. These considerations combined with knowledge and competencies available at the Company's Innovation Centre at Pune are the triggers for building a business in this field.

The Company's manufacturing facility near Chennai is under construction and will come on-stream in the first half of 2013-14. The first set of products will include soluble fibres (short chain oligosaccharides such as Fructo-Oligosaccharide (FOS) to promote gut health. These will be produced using unique and patented biotechnology processes that were developed at the Innovation Centre. Such dietary fibres also known as Prebiotics, provide a range of health benefits such as lowering the glycaemic index (GI) and reducing total calories when incorporated in food formulations.

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited
ANALYSIS OF FINANCIAL PERFORMANCE:
Financial Analysis of Tata Chemicals Limited (Standalone) – Year Ended 31st March, 2013
1. Net Revenue from Operations:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Sale of products	8,667	8,072	595	7
Other operating income	89	84	5	6
Less: Excise duty	226	159	67	42
Net Revenue from Operations	8,530	7,997	533	7

Net sales have increased by 7% during FY 2012-13 over FY 2011-12 mainly due to higher realisation in consumer products and inorganic chemicals and higher volume and realisation of urea.

2. Other Income:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Other Income	366	309	57	18

The increase in other income is attributable to foreign exchange gain on redemption of preference shares of foreign subsidiaries during FY 2012-13 was offset by higher dividend received from one of the joint venture companies in FY 2011-12.

3. Cost of Materials Consumed:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Cost of materials consumed	2,989	2,865	124	4

Raw material consumption has shown an increase of 4% during FY 2012-13 over FY 2011-12 mainly due to higher prices of limestone, solar salt, RLNG and ammonia due to exchange rate.

4. Purchases of Stock-in-trade:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Purchases of stock-in-trade	1,404	2,168	(764)	(35)

Cost of traded goods purchased have decreased by 35% mainly on account of lower purchase volumes of traded product viz. MOP and DAP, offset by increase in prices.

5. Power and Fuel:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Power and Fuel	726	685	41	6

The increase in power and fuel cost during FY 2012-13 over FY 2011-12 is mainly on account of higher consumption of Pet Coke and South African Coal and increase in prices of Administered Price Mechanism (APM) gas and RLNG.

6. Freight and Forwarding charges:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Freight and forwarding charges	615	479	136	28

The increase in freight and forwarding charges during the FY 2012-13 over FY 2011-12 is due to increase in sales volumes and increase in overall freight rates.

7. Other expenses:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Other Expenses	196	180	16	9

Other expenses have gone up mainly due to increase in IT and communication expenses, handling charges and professional fees.

8. Investments:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Investments in subsidiary companies	3,412	4,045	(633)	(16)
Investments in joint ventures	166	180	(14)	(8)
Investment in other companies	384	401	(17)	(4)
Current investments	0	0	-	-
Less : Prov for diminution in value of investments	-	(12)		-
Total Investment	3,962	4,614	(652)	(14)

Decrease in investments is due to redemption of preference shares held in a subsidiary company.

9. Inventories:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Inventories	927	1,253	(326)	(26)

The value inventories as at 31st March, 2013 is lower than the level of 31st March, 2012 by ₹ 326 crores primarily due to decrease in the stock of traded goods and also decrease in raw materials at Haldia.

10. Trade Receivables:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Trade receivable	2,509	1,514	995	66
Less : Provision for doubtful debts	24	24	-	-
Net Trade Receivable	2,485	1,490	995	67

The debtors as at 31st March, 2013 are higher by ₹ 995 crores than level of 31st March, 2012. The increase is on account of increase in the subsidy receivable from the Government and an amount of increase in turnover.

11. Loans and Advances:

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Long-term Loans and Advances	267	194	73	38
Short-term Loans and Advances	293	229	64	28
Loans and Advances	560	423	137	32

Increase in long-term loans and advances is attributable to increase in advance payment of taxes. Advances to suppliers and others have resulted in an increase in the short-term loans and advances.

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited

12. Cash Flow and Net Debt:

Net Cash flow from operating activities: The cash operating profit before working capital changes and direct taxes during FY 2012-13 is ₹ 1,222 crores as compared to ₹ 1,091 crores during FY 2011-12. Significant change in working capital largely on account of increase in receivables resulted in the net cash from operating activities at ₹ (298) crores during FY 2012-13 as compared to ₹ 341 crores during FY 2011-12.

Net Cash flow from investing activities: The net cash inflow from investing activities amounted to ₹ 819 crores in FY 2012-13 as against an inflow of ₹ 89 crores in FY 2011-12. The inflow broadly represents redemption of investment in subsidiaries.

Net Cash flow from financing activities: The net cash outflow from financing activities is ₹ 321 crores during FY 2012-13 as compared to outflow of ₹ 337 crores during FY 2011-12.

Net Debt :

(₹ in crores)

	FY 2012-13	FY 2011-12	Change	% Change
Long-term borrowings	1,073	2,203	(1,130)	(51)
Short-term borrowings	1,384	257	1,127	439
Long-term borrowing payable within one year	1,259	908	351	39
Total debt	3,716	3,368	348	10
Less : Cash and bank balances	1,092	892	200	22
Less : Current investments	-	-	-	-
Net Debt	2,624	2,476	148	6

Net debt as on 31st March, 2013 is ₹ 2,624 crores as compared to ₹ 2,476 crores as on 31st March, 2012. During the current fiscal year, the total debt increased by ₹ 348 crores as compared to the balance as on 31st March, 2012 mainly on account of increase in working capital borrowings.

Financial Analysis of Tata Chemicals Group (Consolidated) –Year Ended 31st March, 2013

Profit & Loss Analysis

1. Net Revenue from Operations:

(₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	8,441	7,913	528	7
Tata Chemicals Europe and Tata Chemicals Africa	2,228	2,084	144	7
Tata Chemicals North America Inc.	2,575	2,273	302	13
Indo Maroc Phosphore S.A., Morocco	493	572	(79)	(14)
Rallis India Limited	1,441	1,249	192	15
Others and Eliminations	(460)	(433)	(27)	6
Total	14,719	13,659	1,060	8

Comment:

Sales (net of duties) have increased by 8% during the year ended 31st March, 2013 primarily due to:

- Inorganic Chemicals: higher realisation across the continents, higher volumes of Tata Salt and soda ash (trading) in India, and appreciating USD and GBP rates was offset by lower volumes of soda ash across continents.
- Fertilisers: higher realisation (DAP, NPK, urea and traded business viz. imported MOP and DAP) and higher volumes (urea and traded imported DAP) was offset by lower volumes of complex fertilisers (DAP and NPK), mainly on account of partial disruption of operations at Haldia and IMACID plant during the first quarter of FY 2012-13 and imported MOP.
- Rallis India Limited: due to higher volumes and higher realisation. Metahelix Life Sciences Limited contributed incremental ₹ 43 crores.

2. Cost of Materials Consumed: (₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	2,989	2,865	124	4
Tata Chemicals Europe and Tata Chemicals Africa	282	324	(42)	(13)
Indo Maroc Phosphore S.A., Morocco	391	397	(6)	(2)
Rallis India Limited	718	623	95	15
Others and Eliminations	(340)	(336)	(4)	1
Total	4,040	3,873	167	4

Comment:

Raw material consumed has increased by 4% as compared to the previous year due to:

- Inorganic Chemicals: Increase in prices of raw materials (limestone and solar salt), higher production of salt and increase in purchase of imported soda ash in India was offset by reduction in production volumes at TCEHL and TCAHL.
- Fertilisers: Increase in the prices of raw materials (mainly RLNG and ammonia) offset by lower production volumes of urea, customised fertilisers and complex fertilisers (DAP & NPK) (mainly on account of partial disruption of operating at Haldia and IMACID plant during first quarter of FY 2012-13).
- Rallis India Limited – higher production on account of increase in sales volume.

3. Purchase of Stock-in-trade: (₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	1,404	2,168	(764)	(35)
Tata Chemicals Europe and Tata Chemicals Africa	109	95	14	15
Tata Chemicals North America Inc.	47	24	23	96
Rallis India Limited	116	87	29	33
Others and Eliminations	(125)	(78)	(47)	60
Total	1,551	2,296	(745)	(32)

Comment:

The cost of traded goods purchased has decreased by ₹ 745 crores mainly on account of lower purchase volumes of traded product viz. imported MOP and imported DAP, offset by increase in price of imported DAP.

4. Employee Benefit Expenses: (₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	274	240	34	14
Tata Chemicals Europe and Tata Chemicals Africa	302	264	38	14
Tata Chemicals North America Inc.	432	356	76	21
Indo Maroc Phosphore S.A., Morocco	18	18	-	-
Rallis India Limited	94	92	2	2
Others and Eliminations	6	3	3	89
Total	1,126	973	153	16

Comment:

The employee cost has increased by 16% mainly due to revised wages in India, Europe, Africa and US and appreciating USD and GBP exchange rates and higher actuarial losses in India.

5. Power and Fuel: (₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	726	685	41	6
Tata Chemicals Europe and Tata Chemicals Africa	661	479	182	38
Tata Chemicals North America Inc.	235	222	13	6
Indo Maroc Phosphore S.A., Morocco	10	10	-	-
Rallis India Limited	49	43	6	14
Total	1,681	1,439	242	17

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited
Comment:

Power and fuel charges have increased by 17% compared to the previous year due to:

- a. Inorganic Chemicals: higher consumption (Pet Coke and South African Coal), along with appreciating USD and GBP rates.
- b. Fertilisers: higher input cost (RLNG and APM) and increase in use of RLNG (higher rate gas) was partly offset by lower power consumption due to lower production of urea and complex fertilisers (DAP and NPK).

6. Other Manufacturing Expenses:

(₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	2,090	1,015	1,075	106
Tata Chemicals Europe and Tata Chemicals Africa	606	535	71	13
Tata Chemicals North America Inc.	1,265	1,117	148	13
Indo Maroc Phosphore S.A., Morocco	57	81	(24)	(30)
Rallis India Limited	271	226	45	20
Others and Eliminations	9	(15)	24	(160)
Total	4,298	2,959	1,339	45

Other manufacturing expenses represent the following:

(₹ in crores)

Particulars	FY 2012-13	FY 2011-12	Change	% Change
Stores, spares parts and consumables	565	502	63	13
Repairs	370	312	58	19
Royalty, rates and taxes	206	151	55	36
Commission, discounts and distributors' service charges	232	175	57	33
Sales promotion expenses	196	141	55	39
Freight and forwarding charges	1,638	1,394	244	17
Change in inventory of work-in-process and finished goods	207	(491)	698	(142)
Others(#)	884	775	109	14
Total	4,298	2,959	1,339	45

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

The other manufacturing expenses have increased by ₹ 1,339 crores compared to previous year due to:

- a. Higher stores, spares parts and consumables - including packing material consumed (higher at Mithapur, TCNA and IMACID), repairs (higher maintenance expenses at US, UK, and India mainly Babrala), royalty, rates and taxes (on account of increase in royalty rates at TCNA), commission, discounts and distributors' service charges (higher at agri and phosphatic fertilisers business), sales promotion expenses (higher for Tata Salt, Pulses and Rallis), freight and forwarding expenses (due to higher freight charges and appreciating USD and GBP rates), hedging cost, professional fees, IT expenses, appreciating USD and GBP rates & other expenses.
- b. Movement in inventory change (WIP and finished goods) for FY 2012-13 is primarily on account of decrease in stock levels in case of Indian operations (traded imported DAP) in the current year as compared to increase in previous year.

7. Finance Costs:

(₹ in crores)

Entity	FY 2012-13	FY 2011-12	Change	% Change
Tata Chemicals Limited	203	210	(7)	(3)
Tata Chemicals Europe and Tata Chemicals Africa	144	133	11	8
Tata Chemicals North America Inc.	102	82	20	24
Rallis India Limited	18	14	4	28
Others and Eliminations	(3)	(12)	9	(75)
Total	464	427	37	9

Comment: The increase in finance costs is mainly due to:

- Borrowings in FY 2011-12 at TCNA was offset by part repayment of Loan.
- Borrowings of US \$ 200 million at Tata Chemicals International Pte. Ltd.
- Higher interest expenses on account of working capital loan at TCL standalone and Rallis.
- Appreciation in USD and GBP rates partly offset by-
 - Repayment of unsecured loans of ₹ 150 crores and FCNRB of 25 million USD during FY 2011-12;
 - Repayment of US \$ 190 million installments of ECB during FY 2012-13.

8. Exceptional Items / Other Notes:

- a. 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 "Foreign Currency Monetary item Translation Difference Account" (FCMTDA)" balance (net of tax) is as follows

(₹ in crores)

Particulars	FY 2012-13	FY 2011-12
FCMTDA	58.77	81.72

- b. During the quarter and year ended 31st March, 2013, the Company has recognised subsidy income of ₹ Nil and ₹ 44.91 crores on opening stock as on 1st April, 2011 of Raw Materials for Phosphatic and Potassic Fertilisers based on communication issued by the Department of Fertilisers vide letter no. 23011/1/2010 – MPR (Pt) dated 22.08.12 with respect to earlier Office Memorandum dated 11th July, 2011 on mopping up of Subsidy increase under NBS Policy.
- c. The Company has disposed off its stake in Khet-Se Agri Produce India Pvt. Ltd; a joint venture company during the year ended 31st March, 2013.
- d. Recognition of actuarial gains / losses of overseas subsidiaries in reserves w.e.f. 1st April, 2009. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the profit and loss account been followed, the consolidated net profit before tax and net profit after tax of the Group would have been (higher) / lower by amounts as per table below:

(₹ in crores)

Impact on :	FY 2012-13	FY 2011-12
Consolidated Net profit before tax	155.34	180.18
Consolidated Net profit after tax of the Group	116.92	157.16

Tata Chemicals Limited**INNOVATION AND TECHNOLOGY****Tata Chemicals Innovation Centre**

The Company established an Innovation Centre (IC) to undertake research in applied sciences with a view to seeding new businesses using principles of sustainability and chemistry. The Company has identified biotechnology and nanotechnology as new platforms that would contribute to its revenues in the next decade. It is envisaged that superior and unique technologies (pertaining to process and / or product attributes) would differentiate these businesses from their peers and make them distinctive. The Company's current efforts to incubate businesses in biotechnology (Food Ingredients - Nutritional Solutions) and exploratory efforts in nanomaterials are outcomes of this process.

IC is engaged in the following vectors of research:

- Formulations and Ingredients in health and Wellness and Industrial applications respectively
- Waste biomass to value added chemicals
- Crop and soil specific nutrition formulations
- Water purification (with special emphasis on removal of Arsenic)

In some of these areas, IC has also undertaken collaborative research with other companies including Tata companies.

Currently, IC possesses the following capabilities and competencies:

- Multi-purpose pilot plant for biotechnology and advanced materials
- Materials characterisation capability using state-of-the-art equipment
- Reactors for catalytic transformations
- Development of new products and variants for the food ingredients line of business
- Synthesis of nano materials for industrial, consumer and agriculture applications
- Portfolio of technologies for water purification

A new building is being constructed in Pune to house the Innovation Centre and is expected to be operative in FY 2013-14.

Tata Chemicals Centre for Agri-Solutions and Technology

The Company has set up a Centre for Agri Solutions and Technology (CAT) in Aligarh (Uttar Pradesh) to provide appropriate advice to farmers on farming practices in general and crop nutrition practices and solutions in particular. This Centre is staffed with experienced scientists who are working in various areas. CAT, Aligarh was recognised as a Department of Scientific and Industrial Research approved laboratory and is involved in research and developmental work related to crop nutritional aspects. The CAT team has developed Customised Fertiliser (CF) basal grades for wheat, rice, maize, potato and sugarcane for operational regions around Babrala and sweet sorghum for regions in Maharashtra state. Crop specific CF (foliar) grades were developed on R&D based field trials and were quite effective on a cost-benefit basis. CAT works closely with the R&D team of Innovation Centre, Pune in evaluating exciting opportunities in the application of nanotechnology and biotechnology to plant nutrition. This collaboration is supported by grants from the Department of Biotechnology.

HUMAN RESOURCES

As on 31st March, 2013, the Company and its subsidiaries had on its rolls 5,985 employees, of which 4,429 were located in India and 1,556 located overseas. HR strategy has elements that proactively address external and internal business imperatives. There is a strong emphasis on continuous enhancement of technical and leadership capabilities of its human resources that will enable them to perform effectively in the fast changing and challenging business context. Many initiatives like Multi Rater Feedback, e-learning platforms, Redesigned Management Development

Programme, Technical training etc. are being rolled out. Structured programmes like Lean Six Sigma, work restructuring / process re-engineering programmes were initiated to achieve higher levels of employee productivity. Appropriate rewards and recognition schemes, opportunities for learning and growth, wellness and employee care measures and employee-friendly HR policies and practices are being deployed across the Company. During the year, the internal job posting programme was rebranded and re-launched to offer wider opportunities for employees. A well-defined risk mitigation programme is in place to address HR related risks. The employees are encouraged to live the vision and values adopted by the Company and develop themselves as good corporate citizens. Integrity and ethical conduct is recognised and rewarded. During the year, a Global Engagement Survey was carried out and based on the findings action plans are being put in place to enhance the engagement levels in the years ahead. Remuneration and employee benefit practices are regularly reviewed so as to be competitive in the respective geographies where the Company operates. Employee relations continued to be harmonious across all locations through a process of continuous dialogue and openness to find mutually acceptable solutions to issues.

SUSTAINABILITY

Business Responsibility Report (BRR)

Vide its Circular dated 13th August, 2012, 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 National Stock Exchange of India Limited as at 31st March, 2012. Although the Company is not part of the top 100 listed entities as on 31st March, 2012, as a responsible corporate citizen, it has decided to voluntarily prepare BRR as per format prescribed by SEBI.

In line 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. Any shareholder interested in obtaining a physical copy of the same may write to the 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 come out with the Sustainability Report since the year 2003 and is in public domain from the year 2006 along with external assurance. The Company would come out with the Sustainability Report 2012-13 shortly. This report is based on the GRI G3.1 guidelines covering all the 84 indicators. The Company's Sustainability Report can be viewed on the website www.tatachemicals.com.

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 Global Compact Initiative taken up by the Secretary General of the United Nations. The Company continues its commitment to the UN Global Compact and for the current year will submit its COP on the ten UNGC Principles. The details of UNGC COP can be viewed on www.unglobalcompact.org and our website www.tatachemicals.com.

Carbon Disclosure Project (CDP)

The Company is responding to the CDP every year (who are partnering in India with World Wide Fund for nature (WWF) and Confederation of Indian Industry (CII) on Green House Gases (GHG) emissions since the year 2010. It has been placed in the Carbon Disclosure Leadership Index (CDLI) since reporting in the year 2010.

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 business and corporate levels. The Head of Audit & Risk Management reports directly to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring 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

Tata Chemicals Limited

risk management process 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, Engineers and Management graduates. 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. Besides, validation of IT security and Business Continuity Plan receives focused attention from the internal audit team. The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Head of Audit & 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 efficacy of internal control systems. A peer review of the Internal Audit function is done once in four years to assess quality effectiveness of internal audits with reference to standards and best practices.

The Company believes that every employee has a role to play in fostering an environment in which controls, assurance, accountability and ethical behaviour are given 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 through 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 in ensuring total coverage in 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 the Company has been able to identify, monitor and mitigate the most relevant strategic and operational risks both during periods of accelerated growth and recessionary pressures.

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 maximizing satisfaction and value to our customers. The TBEM framework covers six core aspects of the business: Leadership; Strategic planning; Customer focus; Measurement, Analysis & 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 around 6,000 employees from different cultures, TBEM serves as a platform to establish a common language 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.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the agriculture, fabric wash and glass industry global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

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

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

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

2. Board of Directors

The Board comprised of 11 Directors as on 31st March, 2013. 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 of six 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, 2013 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Executive (including Managing Director)	2	18%
Independent, Non-Executive	6	55%
Non-Independent, Non-Executive (Including Chairman)	3	27%

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

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 apprises the Board at every meeting on the overall performance of the Company. 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 for all 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 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 / items and approvals are taken wherever necessary.

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited

Meetings held

The Board met 6 (six times) on the following dates during the financial year 2012-2013.

30th May, 2012	14th December, 2012
7th August, 2012	8th February, 2013
9th November, 2012	26th March, 2013

The gap between two Meetings did not exceed four months.

The Seventy-Third Annual General Meeting (AGM) of the Company was held on 22nd August, 2012.

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 2012-2013 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other public limited companies as on 31st March, 2013 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2012-2013	Whether attended AGM held on 22nd August, 2012	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. Ratan N. Tata (Chairman Emeritus) @	Non-Independent Non-Executive	3	Yes	-	-	-	-
Mr. Cyrus P. Mistry (Chairman) @@	Non-Independent Non-Executive	5	Yes	9	-	-	1
Mr. R. Gopalakrishnan (Vice-Chairman)	Non-Independent Non-Executive	5	Yes	5	6	-	2
Mr. Nusli N. Wadia	Independent, Non-Executive	6	No	4	3	-	-
Mr. Prasad R. Menon	Non-Independent Non-Executive	6	Yes	3	5	-	4
Mr. Nasser Munjee	Independent, Non-Executive	5	Yes	3	11	4	4
Dr. Yoginder K. Alagh	Independent, Non-Executive	6	Yes	-	4	-	5
Mr. E.A. Kshirsagar	Independent, Non-Executive	6	Yes	-	7	5	3
Dr. Y.S.P. Thorat	Independent, Non-Executive	5	Yes	1	8	5	1
Dr. Vijay L. Kelkar	Independent, Non-Executive	5	Yes	1	6	1	3
Mr. R. Mukundan (Managing Director)	Managing Director	6	Yes	-	4	-	-
Mr. P. K. Ghose (Executive Director & CFO)	Executive Director & CFO	6	Yes	-	3	2	1

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 Shareholders' / Investors' Grievance Committee.

@ Retired as Chairman and Director with effect from 28th December, 2012 and appointed as Chairman Emeritus.

@@ Appointed as Director with effect from 30th May, 2012 and as Chairman with effect from 28th December, 2012.

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

Code of Conduct

The Company has adopted the Tata Code of Conduct for all the employees of the Company including the Whole-time Directors. The Board had also approved a Code of Conduct for Non-Executive Directors. The Code of Conduct for the employees as well as Non-Executive Directors are posted on the Company's website. Further, all the Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

Shareholdings of Non-Executive Director as on 31st March, 2013 are as under:

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

3. Audit Committee:

The Committee comprises of Mr. Nasser Munjee, Mr. R. Gopalakrishnan, Dr. Yoginder K. Alagh 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 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 Audit Committee, Mr. R. Gopalakrishnan, Dr. Yoginder K. Alagh and Mr. E.A. Kshirsagar – Members of the Audit Committee were present at the last Annual General Meeting held on 22nd August, 2012.

Terms of Reference

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

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

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 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 members about the significant discussions at Audit Committee meetings.

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited

Meetings held

During the financial year 2012-2013, 8 (eight) Audit Committee meetings were held on the following dates:

29th May, 2012	9th November, 2012
27th July, 2012	11th January, 2013
6th August, 2012	7th February, 2013
19th October, 2012	25th March, 2013

Composition and Attendance

Name of Director	No. of meeting attended
Mr. Nasser Munjee (Chairman)	7
Mr. R. Gopalakrishnan	7
Dr. Yoginder K. Alagh	8
Mr. E. A. Kshirsagar	8

The gap between two Meetings did not exceed four months.

4. Remuneration Committee and Policy

The role of the Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director and the Executive Director & CFO and retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board. During the course of its review, the Committee also decides on the commission of the Directors and / or other incentives payable, taking into account the individual's performance as well as that of the Company.

The Remuneration Committee comprises of two Independent Directors (including the Chairman of the Committee) and two Non-Executive Directors.

Meetings Held

During the financial year 2012-2013, 1 (one) Remuneration Committee meeting was held on 30th May, 2012.

Composition and Attendance

Name of Director	No. of meeting attended
Mr. Nusli N. Wadia (Chairman)	1
Mr. Ratan N. Tata*	1
Mr. Cyrus P. Mistry**	-
Mr. R. Gopalakrishnan	1
Mr. Nasser Munjee	1

* Ceased to be a Member with effect from 28th December, 2012.

** Appointed as a Member with effect from 8th February, 2013.

Remuneration Policy

Managing Director and Executive Directors

- While deciding on the remuneration of the Managing / Executive Directors, the Board and the Remuneration Committee ("Committee") considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. 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 policies.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and / or commission (variable components) to its Managing / Executive Directors. Annual increments are decided by the Remuneration Committee 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 (except for Shareholders' / Investors' Grievance Committee, Ethics and Compliance Committee and Nomination Committee where the sitting fee is ₹ 5,000 per meeting).

- c. The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors 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 69th Annual General Meeting of the Company held on 4th August, 2008, commission is paid at a rate not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

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) Non-Independent Non Executive Directors who have completed the age of 70 years prior to the Effective Date of 1st April, 2011 may continue as Directors at the discretion of the Board but in no case beyond the age of 75 years and (iv) Independent Non-Executive Directors would retire at the age of 75 years.

The Company has also adopted the retirement policy for Managing 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 to the Managing Director and Executive Directors during the financial year 2012-2013

Director	Salary (₹)	Perquisites and Allowance (₹)	Commission (for the financial year 2011-2012) paid in 2012-2013 (₹)
Mr. R. Mukundan – Managing Director	60,00,000	1,01,54,349	2,00,00,000
Mr. P.K. Ghose – Executive Director & CFO	45,60,000	51,29,033	1,35,00,000

Non-Executive Directors

Director	Sitting Fees (₹)	Commission (for the financial year 2011-2012) paid in 2012-2013 (₹)
Mr. Ratan N. Tata	1,05,000	47,25,000
Mr. Cyrus P. Mistry	1,60,000	-
Mr. R. Gopalakrishnan	3,25,000	50,30,000
Mr. Nusli N. Wadia	1,80,000	18,20,000
Mr. Prasad R. Menon	2,60,000	28,80,000
Mr. Nasser Munjee	3,40,000	33,25,000
Dr. Yoginder K. Alagh	3,75,000	31,30,000
Dr. M. S. Ananth (Ceased to be a Director with effect from 11th November, 2011)	-	3,20,000
Mr. E.A. Kshirsagar	2,80,000	26,50,000
Dr. Y.S.P. Thorat	1,60,000	11,20,000
Dr. Vijay L. Kelkar	1,00,000	-

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited

Commission payable to the Directors for the financial year 2012-2013

Non-Executive Directors	: ₹ 250 lacs
Mr. R. Mukundan	: ₹ 200 lacs
Mr. P.K. Ghose	: ₹ 170 lacs

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

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, 2013	5 years upto 25th November, 2013
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. Shareholders' / Investors' Grievance Committee

During the financial year 2012-2013, 4 (four) meetings were held on 9th July, 2012, 9th November, 2012, 7th February, 2013 and 25th March, 2013.

Composition and Attendance

Name of Director	No. of meeting attended
Dr. Yoginder K. Alagh (Chairman)	4
Mr. R. Mukundan	4

Terms of Reference:

- To look into redressal of investors' complaints and requests such as transfer of shares / debentures, non-receipt of dividend, annual report, etc.

Status of Investor Complaints as on 31st March, 2013 and reported under Clause 41 of the Listing Agreement is as under:

Complaints as on 1st April, 2012	: 2
Received during the year	: 34
Resolved during the year	: 33
Pending as on 31st March, 2013	: 3

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:

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

Meetings Held

During the financial year 2012-2013, 3 (three) Executive Committee of the Board meetings were held on 9th July, 2012, 11th January, 2013 and 19th March, 2013.

Composition and Attendance

Name of Director	No. of meeting attended
Mr. Ratan N. Tata*	1
Mr. Cyrus P. Mistry**	3
Mr. R. Gopalakrishnan	3
Mr. Nusli N. Wadia	2
Mr. Prasad R. Menon	3
Dr. Yoginder K. Alagh	3
Mr. R. Mukundan	3
Mr. P.K.Ghose	3

* Ceased to be Chairman and Member with effect from 28th December, 2012.

** Appointed as a Member with effect from 30th May, 2012 and the Chairman with effect from 11th January, 2013.

7. Nomination Committee

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

Terms of Reference

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

Meetings Held

During the financial year 2012-2013, 1 (one) Nomination Committee of the Board meeting was held on 30th May, 2012.

Tata Chemicals Limited
Composition and Attendance:

Name of Director	No. of meeting attended
Dr. Yoginder K. Alagh (Chairman)	1
Mr. Ratan N. Tata*	1
Mr. Cyrus P. Mistry**	-
Mr. R. Gopalakrishnan	1

* Ceased to be a Member with effect from 28th December, 2012.

** Appointed as a Member with effect from 8th February, 2013.

8. Ethics and Compliance Committee

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

Terms of Reference

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

Meetings Held

During the financial year 2012-2013, 2 (two) Ethics and Compliance Committee meetings were held on 9th July, 2012 and 9th November, 2012.

Composition and Attendance:

Name of Director	No. of meeting attended
Dr. Yoginder K. Alagh (Chairman)	2
Mr. R. Mukundan	2

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 violations.

9. Safety Health Environment and Sustainability Committee

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

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.

Meetings held

During the financial year 2012-2013, 4 (four) Safety Health Environment and Sustainability Committee meeting were held on the following dates:

10th April, 2012	19th October, 2012
26th July, 2012	6th February, 2013

Composition and Attendance:

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

* In addition to attending 3 meetings, Dr. Y. S. P. Thorat attended 1 meeting through tele-conference.

The Managing Directors of the overseas operating companies shall be permanent invitees to the meetings of the Committee. Chief Technology and Sustainability Officer and the Company Secretary are also permanent invitees to the meeting of the Committee.

10. 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.

11. 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.

12. Details on General Body Meetings

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

Annual General Meeting (AGM):

Year	Location	Date	Day	Time
2009-10	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	9th August, 2010	Monday	3.00 p.m.
2010-11	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	9th August, 2011	Tuesday	3.00 p.m.
2011-12	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	22nd August, 2012	Wednesday	3.00 p.m.

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

No special resolution was passed at the last 3 Annual General Meetings.

2. Postal Ballot:

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

Tata Chemicals Limited**13. 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 2012-2013, 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 pertaining to CEO / CFO certification for the financial year ended 31st March, 2013.

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 – Being the Group Chairman, the Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office.
- The Company has adopted the guidelines for the composition of the Board of Directors, which provide for the tenure and retirement age for the Non-Executive Directors.
- The Company has setup a Remuneration Committee pursuant to Clause 49 of the Listing Agreement, details of which have been given earlier in this report.
- The Company has also set up Executive Committee of the Board, Nomination Committee, Ethics and Compliance Committee and Safety Health Environment & 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.

14. 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, 2012 the results were published on 31st May, 2012, for first quarter ended 30th June, 2012 the results were published on 8th August, 2012, for second quarter ended 30th September, 2012 the results were published on 10th November, 2012 and for the third quarter ended 31st December, 2012 the results were published on 9th February, 2013.

The quarterly results are published in the following newspapers:-

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

15. 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

Date and Time	: 26th August, 2013 at 3.00 p.m.
Venue	: Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai - 400 020
Financial year	: April to March
Book Closure Date	: 14th August, 2013 to 26th August, 2013 (both days inclusive for the purpose of AGM and Dividend)
Dividend payment date	: Between 27th August, 2013 and 30th August, 2013
Listing on Stock Exchanges	: The Company's Ordinary Shares are listed on the following Stock Exchanges: <ol style="list-style-type: none"> (1) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. (2) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

The Company has paid the Annual Listing fees for the financial year 2013-2014.

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited

Stock Code:

BSE Limited, (Physical Segment)

BSE Limited, (Demat Segment)

The National Stock Exchange of India Limited

International Securities Identification Number (ISIN)

in NSDL and CDSL for Equity Shares

TATACHM770

500770

TATACHEM EQ

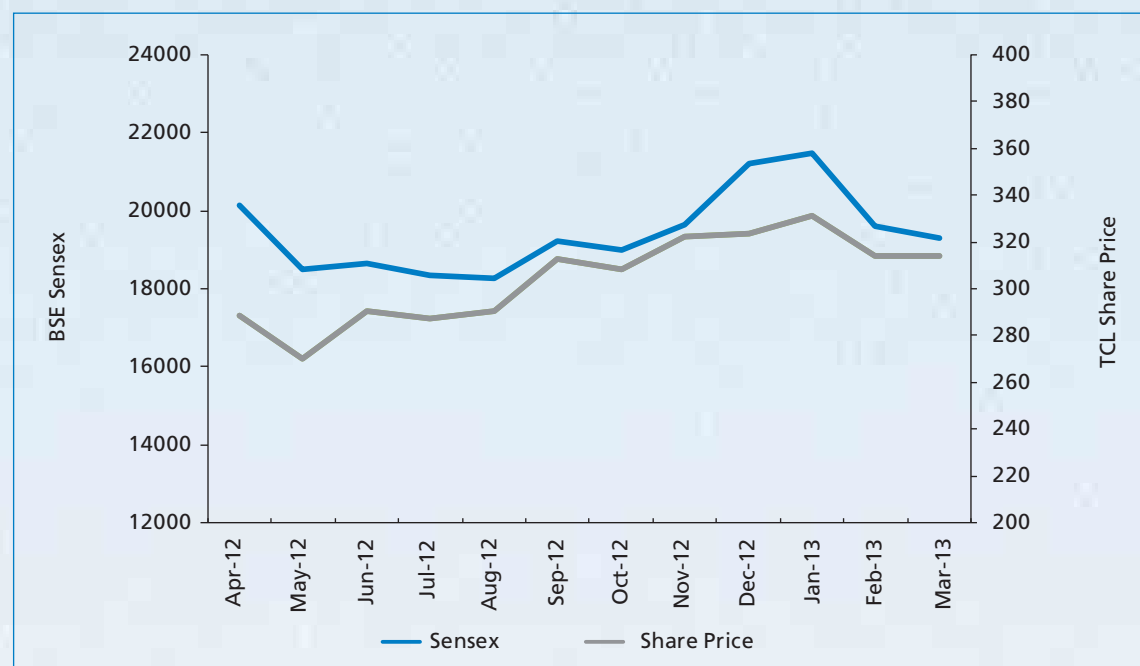
INE092A01019

Market Price Data:

Market price data - monthly high / low of the closing price and trading volumes on 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-2012	354.60	326.50	354.70	325.00
May-2012	363.80	305.30	345.00	304.15
Jun-2012	324.00	299.50	322.00	299.00
Jul-2012	328.00	304.70	328.35	303.00
Aug-2012	318.00	299.00	319.25	298.00
Sep-2012	330.50	303.60	330.80	302.55
Oct-2012	331.90	315.20	331.90	315.35
Nov-2012	329.00	309.10	328.45	309.10
Dec-2012	366.70	324.50	366.70	322.95
Jan-2013	381.50	351.10	381.50	350.85
Feb-2013	367.00	325.00	367.45	325.10
Mar-2013	333.00	308.10	332.90	308.20

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



Registrar and Transfer Agents:-

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

TSR Darashaw Private Limited (formerly Tata Share Registry Limited) quoting their folio no. / DP ID & Client ID at the following addresses :-

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

TSR Darashaw Private Limited	Tel: 022-6656 8484
Unit: Tata Chemicals Limited	Fax: 022- 6656 8494
6-10 Haji Moosa Patrawala Industrial Estate	E-mail : csg-unit@tsrdarashaw.com
20 Dr. E Moses Road, Near Famous Studio	website : www.tsrdarashaw.com
Mahalaxmi Mumbai – 400 011.	

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

- | | |
|---|--|
| <p>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 : tsrdlbg@tsrdarashaw.com</p> | <p>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</p> |
| <p>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</p> | <p>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</p> |
| <p>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</p> | |

Share Transfer Process:

Shares in physical forms are processed by the Registrar and 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, 2013

Sr. No.	Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1	1 to 500	1,98,46,130	19,84,61,300	7.79	1,77,240	89.50
2	501 to 1000	83,34,607	8,33,46,070	3.27	11,166	5.64
3	1001 to 2000	78,41,020	7,84,10,200	3.08	5,462	2.76
4	2001 to 3000	42,02,916	4,20,29,160	1.65	1,691	0.85
5	3001 to 4000	25,97,045	2,59,70,450	1.02	734	0.37
6	4001 to 5000	20,70,654	2,07,06,540	0.81	453	0.23
7	5001 to 10000	54,63,133	5,46,31,330	2.15	781	0.39
8	Above 10000	20,44,00,773	204,40,07,730	80.23	510	0.26
	TOTAL	25,47,56,278	254,75,62,780	100.00	1,98,037	100.00

Tata Chemicals Limited
Category of shareholding as on 31st March, 2013

Category	No. of Shares	Percentage
Tata Companies & Trusts	7,91,25,857	31.06
Resident Individuals	5,23,42,370	20.55
Foreign Holdings	4,75,35,766	18.66
Public Financial Institutions	4,91,13,196	19.28
Government / Government Companies	74,598	0.03
Other Companies, Mutual Funds	2,60,98,274	10.24
Nationalised Banks	4,66,217	0.18
TOTAL	25,47,56,278	100.00

Dematerialization of shares and liquidity:

Percentage of Shares held in

Physical form	:	3.51
Electronic form with NSDL	:	93.51
Electronic form with CDSL	:	2.98

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

Overseas Locations:

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

Address for correspondence :

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

DECLARATION

I, R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended 31st March, 2013.

For Tata Chemicals Limited

Mumbai, 27th May, 2013

R. Mukundan
Managing Director

AUDITORS' CERTIFICATE

TO THE MEMBERS OF TATA CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **TATA CHEMICALS LIMITED** ("the Company"), for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

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

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

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

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

B.P. Shroff
(Partner)
(Membership No. 034382)

MUMBAI, 27th May, 2013

Tata Chemicals Limited
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, 2013 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:

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

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, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") 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, 2013;
- (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 referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

B. P. Shroff
(Partner)
(Membership No. 034382)

MUMBAI, 27th May, 2013

Tata Chemicals Limited
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) and (xix) 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 off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, 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, there is no deposit from the public in terms of Sections 58A and 58AA or any other relevant provision of the Companies Act, 1956.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) We have broadly reviewed the 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 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 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, 2013 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, 2013 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 Crores)
Central Sales Tax, 1956 and Sales Tax Act of Various states	Sales Tax (Central and State and Value Added Tax)	High Court	1997-2001	2.01
		Tribunal	1991-92, 1999-2000, 2002-03, 2004-05 and 2007-08	0.31
		Appellate Authority upto Commissioner's level	1991-92, 1993-99 and 2002-09	10.78
Customs Act, 1962	Customs Duty	Appellate Authority upto Commissioner's level	1987-88, 1992-93, 2001-02 and 2011-12	0.47
Central Excise Act, 1944	Excise Duty	Supreme Court	1974-1980 and 1981-85	0.29
		Tribunal	1985-88, 1996-97 and 2005-07	1.05
		Appellate Authority upto Commissioner's level	1994-2000 and 2004-09	0.71
Finance Act, 1994	Service Tax	Tribunal	2007-08	0.75
Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's level	2002-03 and 2003-04	10.22
The West Bengal Tax on Entry of Goods into Local Area Act, 2012	Entry Tax	High Court	2011-12	9.36
Total				35.95

- (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) The Company has not raised any money by way of a public issue during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

B. P. Shroff
(Partner)
(Membership No. 034382)

MUMBAI, 27th May, 2013

Tata Chemicals Limited
Balance Sheet as at 31st March, 2013

	Note	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	3	254.82		254.82
(b) Reserves and Surplus	4	5,052.50		4,680.69
			5,307.32	4,935.51
2. Non-Current Liabilities				
(a) Long-Term Borrowings	5	1,072.92		2,202.57
(b) Deferred Tax Liabilities (net)	6	124.75		88.67
(c) Other Long-Term Liabilities	7	84.91		82.35
(d) Long-Term Provisions	8	111.32		92.86
			1,393.90	2,466.45
3. Current Liabilities				
(a) Short-Term Borrowings	9	1,384.14		256.86
(b) Trade Payables	10	1,217.07		1,719.73
(c) Other Current Liabilities	11	1,492.39		1,090.08
(d) Short-Term Provisions	12	303.73		324.23
			4,397.33	3,390.90
TOTAL			11,098.55	10,792.86
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	13	1,911.67		1,810.03
(ii) Capital Work-in-progress	13	137.30		265.38
(b) Non-Current Investments	14	3,962.08		4,613.62
(c) Long-Term Loans and Advances	15	267.15		194.31
(d) Other Non-Current Assets	16	2.78		6.31
			6,280.98	6,889.65
2. Current Assets				
(a) Current Investments	17	0.25		0.25
(b) Inventories	18	927.47		1,253.22
(c) Trade Receivables	19	2,484.88		1,490.45
(d) Cash and Cash Equivalents	20	1,091.98		891.85
(e) Short-Term Loans and Advances	21	293.17		229.31
(f) Other Current Assets	22	19.82		38.13
			4,817.57	3,903.21
TOTAL			11,098.55	10,792.86
Notes Forming Part of Financial Statements	1 - 28			

In terms of our report attached

 For DELOITTE HASKINS & SELLS
Chartered Accountants

 B. P. Shroff
Partner

Mumbai, 27th May, 2013

 Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

 Cyrus P. Mistry
R. Gopalakrishnan
Nusli N. Wadia
Nasser Munjee
Dr. Yoginder K. Alagh
Eknath A. Kshirsagar
Dr. Y. S. P. Thorat
Dr. Vijay Kelkar
R. Mukundan
P. K. Ghose

 Chairman
Vice-Chairman

Directors

 Managing Director
Executive Director & CFO

Statement of Profit and Loss for the year ended 31st March, 2013

	Note	₹ in crores	₹ in crores	Previous year ₹ in crores
I. REVENUE				
(a) Revenue from Operations (gross)	23	8,756.33		8,155.18
(b) Less: Excise Duty		226.46		158.93
(c) Net Revenue From Operations			8,529.87	7,996.25
II. Other Income	24		365.60	308.57
III. Total Revenue (I + II)			8,895.47	8,304.82
IV. EXPENSES				
(a) Cost of Materials Consumed		2,988.79		2,864.91
(b) Purchases of Stock-in-Trade		1,404.39		2,167.66
(c) Changes in Inventories of Work-In-Progress, Finished Goods and Stock-in-trade		273.78		(409.36)
(d) Employee Benefits Expense	25	273.56		239.75
(e) Finance Costs (net)	26	203.25		210.19
(f) Depreciation and Amortisation Expense		214.29		224.68
(g) Other Expenses	27	2,542.98		2,109.54
Total Expenses			7,901.04	7,407.37
V. Profit Before Exceptional Items and Tax (III - IV)			994.43	897.45
VI. Exceptional Items				
(a) Compensation on Voluntary Retirement		0.09		2.38
(b) Loss on Sale/Provision for Diminution in the Value of Long-term Investments		1.72		12.38
(c) Impairment of Assets		-		34.00
(d) Exchange Loss (net) on Foreign Currency Long-term Borrowings including Revaluation thereof		167.25		84.34
			169.06	133.10
VII. Profit Before Tax (V - VI)			825.37	764.35
VIII. Tax Expense				
(a) Current Tax		157.00		209.52
(b) Deferred Tax		25.05		(31.77)
			182.05	177.75
IX. Profit For the Year (VII - VIII)			643.32	586.60
X. EARNINGS PER SHARE (₹)	28(i)			
(Face value per share - ₹ 10)				
(a) Basic			25.25	23.03
(b) Diluted			25.25	23.03
Notes Forming Part of Financial Statements	1 - 28			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 27th May, 2013

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Cyrus P. Mistry
R. Gopalakrishnan
Nusli N. Wadia
Nasser Munjee
Dr. Yoginder K. Alagh
Eknath A. Kshirsagar
Dr. Y. S. P. Thorat
Dr. Vijay Kelkar
R. Mukundan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director & CFO

Tata Chemicals Limited
Cash Flow Statement for the year ended 31st March, 2013

	₹ in crores	Previous year ₹ in crores
A Cash Flow from Operating Activities		
Profit before Tax	825.37	764.35
Adjustments for:		
Depreciation and amortisation	214.29	224.68
Impairment of assets	-	34.00
Finance costs.....	203.25	210.19
Interest income	(11.48)	(28.75)
Dividend income	(99.38)	(200.30)
Net gain / loss on sale of investments.....	(0.02)	(51.28)
Foreign exchange gain realised on redemption of investments.....	(245.14)	(28.24)
Provision for doubtful debts and advances.....	2.62	3.96
Provision for employee benefits	16.29	(0.43)
Loss on sale / provision for diminution in the value of long-term Investments	1.72	12.38
Foreign exchange loss (net).....	301.99	127.38
(Profit) / loss on assets sold or discarded (net)	12.13	22.63
Operating Profit before Working Capital Changes	1,221.64	1,090.57
Adjustments for:		
Trade and other receivables	(1,123.03)	(720.12)
Inventories	325.75	(556.92)
Trade payables, other liabilities and provisions	(481.78)	768.69
Cash generated from Operations	(57.42)	582.22
Taxes paid (net of refund)	(240.41)	(241.49)
Net Cash used in / generated from Operating Activities.....	(297.83)	340.73
B Cash Flow from Investing Activities		
Acquisition of fixed assets (including capital work-in-progress).....	(218.20)	(490.59)
Proceeds on sale of fixed assets	29.45	12.02
Proceeds on sale of investments in subsidiaries.....	1,062.99	324.19
Proceeds on sale of long-term investments.....	20.00	99.31
Proceeds on sale of current investments	9,552.78	6,426.05
Purchase of long-term investments	(2.89)	(26.78)
Purchase of current investments	(9,552.76)	(6,425.62)
Investment in subsidiaries	(168.67)	(40.39)
Investment in joint venture	(0.25)	(1.68)
Consideration received on disposal of investment in joint venture	0.05	-
Advance towards preference / equity commitment	(6.51)	(16.27)
Loans given	(7.61)	-
Interest received	11.48	28.75
Dividend received	99.38	200.30
Net Cash generated from Investing Activities	819.24	89.29

Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

	₹ in crores	Previous year ₹ in crores
C Cash Flow from Financing Activities		
Repayment of borrowings	(3,069.80)	(625.27)
Proceeds of borrowings	3,251.59	780.12
Finance costs paid	(209.50)	(199.52)
Dividends paid including distribution tax	(293.57)	(292.26)
Net Cash used in Financing Activities	(321.28)	(336.93)
Net Increase in cash and cash equivalents	200.13	93.09
Cash and cash equivalents as at 1st April (opening balance)	891.85	798.76
Cash and cash equivalents as at 31st March (note 20) (closing balance)	<u>1,091.98</u>	<u>891.85</u>

Notes:

- (a) Cash and cash equivalents include earmarked balance of ₹ **12.43 crores** (previous year ₹ 9.95 crores).
- (b) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 27th May, 2013

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Cyrus P. Mistry
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R. Mukundan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director & CFO

Tata Chemicals Limited
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 Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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 Balance Sheet.

(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:

(a) In respect of assets acquired on or after 1st April, 1987, at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 as amended, except in respect of the following categories of assets, in which case the life of the assets has been assessed as under:

Membrane Cells	4 years
Catalyst	5-7 years
Vehicles	4 years
Computers and data processing equipments	4 years
High Pressure Boiler 4 and 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

Sale of Goods

Sales are recognised, net of returns 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

Revenue 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.

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
(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.

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.

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 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

Notes forming part of the Financial Statements (Contd.)

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 paid / payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected.
- (ii) Liability under "Early Separation Scheme" is computed and accounted at the net present value.
- (iii) Compensation paid / payable to employees who have opted for retirement under Voluntary Retirement Scheme including ex-gratia is charged to 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 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 for the year ended 31st March, 2012 and 31st March, 2013 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 the 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

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)

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".

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS-17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

(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.

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.)

Note 3: Share Capital

	Number of shares	₹ in crores	Number of shares	As at 31-Mar-12 ₹ in crores
1. Authorised:				
Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
2. Issued:				
Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
3. Subscribed and fully paid up:				
Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
4. Forfeited shares:				
Amount originally paid up on forfeited shares ..	86,320	0.06	86,320	0.06
		254.82		254.82

Notes:

- (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Issued share capital:

	Number of shares	₹ in crores	Number of shares	₹ in crores
Ordinary shares:				
At the beginning of the year	25,48,42,598	254.84	25,48,42,598	254.84
Outstanding at the end of the year	25,48,42,598	254.84	25,48,42,598	254.84
Subscribed and paid up:				
Ordinary shares:				
At the beginning of the year	25,47,56,278	254.76	25,47,56,278	254.76
Outstanding at the end of the year	25,47,56,278	254.76	25,47,56,278	254.76

- (b) The equity shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The equity shares are also subject to restrictions as prescribed under the Companies Act, 1956.

- (c) Details of shares held by each shareholder more than 5 % of shares:

Ordinary shares with voting rights	Number of shares	%	Number of shares	%
(i) Tata Sons Ltd.	4,93,06,423	19.35	4,93,06,423	19.35
(ii) Tata Investment Corporation Ltd.	1,57,53,501	6.18	1,57,53,501	6.18
(iii) Life Insurance Corporation of India	1,56,76,405	6.15	2,05,54,959	8.07

- (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		
Hind Lever Chemicals Limited	3,44,64,000	3,44,64,000
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 Securities premium account	9,29,70,000	9,29,70,000
General reserve	1,24,32,144	1,24,32,144

No such shares have been issued during the previous five years.

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
Note 4: Reserves and Surplus

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Capital reserve:			
Balance as per last account.....		0.66	0.66
2. Capital redemption reserve:			
Balance as per last account		0.10	0.10
3. Securities premium:			
Balance as per last account		1,258.21	1,258.21
4. Debenture redemption reserve:			
Balance as per last account		240.00	240.00
5. Foreign currency monetary item translation difference account (net of taxes): (note 'a' below)			
(a) Balance as per last account	(81.72)		-
(b) Add: Effect of foreign exchange rate variation during the year	(90.03)		(138.69)
(c) Less: Amortisation for the year	112.98		56.97
		(58.77)	(81.72)
6. Surplus on amalgamation:			
(a) Balance as per last account	20.45		20.75
(b) Less: On account of merger of Wyoming 1 with TCL	-		(0.30)
		20.45	20.45
7. General reserve:			
(a) Balance as per last account	1,064.00		1,005.34
(b) Add: Transfer from statement of profit and loss	64.33		58.66
		1,128.33	1,064.00
8. Surplus in statement of profit and loss:			
Balance as per last account	2,178.99		1,943.42
Add: Profit for the year	643.32		586.60
Add: On account of merger of Wyoming 1 with TCL	-		0.40
Less:			
(a) Dividend proposed to be distributed to equity shareholders (₹ 10 per share).....	254.76		254.76
(b) Tax on dividend	39.70		38.01
(c) Transfer to general reserve	64.33		58.66
		2,463.52	2,178.99
		5,052.50	4,680.69

Note:

- (a) 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 as on 31st March, 2013 of ₹ (58.77) crores (net of tax) (previous year ₹ (81.72) crores (net of tax)) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).

Notes forming part of the Financial Statements (Contd.)

Note 5: Long-Term Borrowings

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Debentures			
(a) Secured (note 11 (a))	-		240.00
(b) Unsecured (note 'a' below)	250.00		250.00
		250.00	490.00
2. Other loans and advances			
(a) Unsecured from banks			
External commercial borrowing (note 'b' below)		822.92	1,712.57
		1,072.92	2,202.57

Notes:

- (a) 10% Unsecured Redeemable Non-convertible Debentures of a face value ₹ 10 lakhs each redeemable at par on 2nd July, 2019.
- (b) The external commercial borrowing is due for repayments on 4th June, 2014 of net ₹ 515.71 crores (USD 95 million) and on 21st October, 2016 of net ₹ 307.21 crores (USD 60 million).

Note 6: Deferred Tax Liabilities (net)

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
The significant component and classification of deferred tax assets and liabilities on account of timing differences are:			
1. Deferred Tax Assets:			
(a) Provision for doubtful debts and advances	8.48		7.49
(b) Provision for employee benefits	12.18		14.05
(c) Exchange differences	137.11		145.94
(d) Other timing differences	5.54		8.22
		163.31	175.70
2. Deferred Tax Liability:			
(a) Depreciation (including impairment)	287.58		261.76
(b) Borrowing costs	0.03		2.16
(c) Other timing differences	0.45		0.45
		288.06	264.37
Net deferred tax liability		124.75	88.67

Note:

- (a) Deferred tax asset of ₹ 28.24 crores (previous year ₹ 39.27 crores) have 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".

Note 7: Other Long-Term Liabilities

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Trade payables		35.25	31.33
2. Others:			
(a) Pension payable on Employee Separation Scheme (note 'a' below)	0.61		1.28
(b) Security deposit	40.54		38.23
(c) Creditors for capital goods	1.88		-
(d) Other payables (note 11(c))	6.63		11.51
		49.66	51.02
		84.91	82.35

Note:

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

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
Note 8: Long-Term Provisions

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Provision for employee benefits			
(a) Provision for compensated absences	36.51		33.35
(b) Provision for post retirement medical benefit	22.86		15.13
(c) Provision for long service award	3.24		3.06
(d) Provision for directors' pension liabilities	21.98		14.66
(e) Provision for family benefit scheme	14.16		14.09
		98.75	80.29
2. Provision for site restoration expenditure (note 28(v))		12.57	12.57
		111.32	92.86

Note 9: Short-Term Borrowings

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Loans repayable on demand			
(a) Secured			
From banks: Cash credits (note 'a' below)	8.41		8.93
From banks: Loans against subsidy receivables (note 'b' below)	179.63		-
(b) Unsecured			
From banks: Buyer's credit	1,196.10		247.93
	1,384.14		256.86

Notes:

- (a) Loans from banks on cash credit are secured by hypothecation of stocks of raw materials, finished goods, 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.

Note 10: Trade Payables

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Acceptances (supplier's credit)	599.97		1,016.29
2. Trade payables other than acceptances (including total dues of micro, small and medium enterprises)	571.49		647.62
3. Other payables	45.61		55.82
	1,217.07		1,719.73

Notes:

- (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, 2013 as follows:

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. (a) Principal amount remaining unpaid to any supplier as on 31st March, 2013	1.07		3.18
(b) Interest on 1(a) above	-		0.01
2. (a) The amount of principal paid beyond the appointed date	2.29		2.32
(b) The amount of interest paid beyond the appointed date ..	0.01		0.01
3. Amount of interest due and payable on delayed payments	-		0.01
4. Amount of interest accrued and due as at 31st March, 2013	-		0.01
5. Total outstanding dues of micro and small enterprises.....	1.07		3.19

Notes forming part of the Financial Statements (Contd.)

Note 11: Other Current Liabilities

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Current maturities of long-term debts			
(a) Debentures			
Secured (note 'a' below)	240.00		-
(b) Other loans and advances			
Unsecured			
External commercial borrowings (note 'b' below)	1,019.26		907.66
		1,259.26	907.66
2. Interest accrued but not due on borrowings		44.37	49.63
3. Liability towards Investor protection fund			
(a) Unclaimed dividends	10.84		9.94
(b) Unclaimed debentures and interest	0.01		0.01
		10.85	9.95
4. Deposits		6.58	6.39
5. Other payables			
(a) Advances received from customers	15.75		23.12
(b) Creditors for capital goods	28.08		14.48
(c) Creditors for statutory dues	38.80		28.14
(d) Other liabilities (note 'c' below)	88.70		50.71
		171.33	116.45
		<u>1,492.39</u>	<u>1,090.08</u>

Notes:

- (a) 11.80% Secured Redeemable Non-Convertible Debentures face value ₹ 10 lakhs each redeemable at par on 18th December, 2013, secured by *pari passu* charge on the Company's properties at Babrala and Mithapur.
- (b) The External Commercial Borrowing is due for repayments on 4th June, 2013 and 4th December, 2013 in installments of net ₹ 501.58 crores (USD 95 million) and net ₹ 517.68 crores (USD 95 million) respectively.
- (c) During the previous year, 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 two installments of government grant aggregating ₹ 11.00 crores and earned an amount of ₹ 0.49 crores as interest on unutilised grant. The Company has spent an amount of ₹ 9.85 crores and the net balance of ₹ 1.64 crores is included in "other liabilities" above (previous year ₹ 8.50 crores included in "other payables" in note 7).

Note 12: Short-Term Provisions

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Provision for employee benefits			
(a) Provision for compensated absences	5.99		5.78
(b) Provision for gratuity	-		3.02
(c) Provision for post retirement medical benefit	0.74		0.50
(d) Provision for long service award	0.50		0.54
(e) Provision for directors' pension liabilities	1.07		0.68
(f) Provision for family benefit scheme	0.91		0.86
		9.21	11.38
2. Others			
(a) Proposed dividend	254.76		254.76
(b) Tax on dividend	39.66		39.71
(c) Provision for contingencies (note 28(v))	-		14.13
(d) Others (note 28(v))	0.10		4.25
		294.52	312.85
		<u>303.73</u>	<u>324.23</u>

Tata Chemicals Limited

Notes forming part of the Financial Statements (Contd.)

Note 13: Fixed Assets

Tangible Assets
(At Cost)

	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1-Apr-12	Additions during the year	As at 31-Mar-13	As at 1-Apr-12	For the year	Deductions	As at 31-Mar-13	As at 31-Mar-13
1. Land:								
(a) Freehold	33.36	0.12	29.95	-	-	-	-	29.95
(b) Leasehold	27.76	5.61	33.36	-	-	-	-	33.36
	15.72	-	15.72	3.36	0.18	-	3.54	12.18
	17.19	-	15.72	3.44	0.18	0.26	3.36	12.36
2. Buildings:								
(a) Factory buildings	315.07	19.73	313.11	100.95	9.48	0.13	110.30	202.81
(b) Other buildings #	255.39	59.76	315.07	92.99	8.53	0.57	100.95	214.12
	193.07	23.15	237.23	49.84	4.09	0.11	53.93	183.30
	191.28	3.03	193.07	46.37	3.84	0.37	49.84	143.23
3. Plant and Machinery	3,544.13	252.76	3,775.40	2,154.45	182.20	27.52	2,314.92	1,410.27
	3,269.74	382.75	3,544.13	2,032.21	198.17	75.93	2,154.45	1,339.47
4. Furniture and Fittings	74.00	1.75	24.80	45.40	2.68	0.29	16.66	8.14
	65.99	13.11	74.00	43.56	6.51	4.67	45.40	28.60
5. Vehicles	16.41	0.38	15.88	13.98	1.92	0.90	11.92	3.96
	16.30	1.25	16.41	12.15	1.95	0.12	13.98	2.43
6. Office Equipment	14.38	14.33	65.34	6.68	5.50	25.21	36.60	28.74
	13.56	1.18	14.38	6.23	0.77	0.32	6.68	7.70
7. Saltworks, Reservoirs and Pans	46.94	10.18	57.12	41.14	7.03	-	48.17	8.95
	43.13	3.81	46.94	37.68	3.46	-	41.14	5.80
8. Traction Lines, Railway Sidings and Wagons	39.80	5.02	43.18	17.52	1.14	1.35	20.41	22.77
	38.74	1.20	39.80	17.34	1.20	1.02	17.52	22.28
9. Water Works	7.47	-	7.42	6.79	0.07	0.04	6.82	0.60
	7.48	-	7.47	6.72	0.07	-	6.79	0.68
Total	4,300.35	327.42	4,585.15	2,440.11	214.29	31.13	2,623.27	1,911.67
10. Capital Work-in-Progress	3,946.56	471.70	4,300.35	2,298.69	224.68	83.26	2,440.11	1,810.03
Total Fixed Assets								137.30
								265.38
								2,048.97
								2,075.41

Notes:

- # Includes cost of residential flats aggregating ₹ 1.82 crores (previous year ₹ 1.82 crores) for which legal formalities relating to transfer of title are pending.
- Additions during the year include ₹ 2.25 crores (previous year ₹ 1.39 crores) in respect of scientific research and development activities, as certified by the Management and accepted by the Auditors.
- Gross book value and accumulated depreciation above include ₹ 1.82 crore (previous year ₹ 0.37 crores) and ₹ Nil (previous year ₹ Nil) respectively for assets held for sale, which have been valued at the lower of carrying value and net realisable value. Accordingly ₹ Nil (previous year ₹ Nil) have been provided.
- Capital work-in-progress above includes gross value ₹ Nil (previous year ₹ 48.62 crores) for assets held for sale for which impairment of ₹ Nil (previous year ₹ 34 crores) has been provided.
- Plant and machinery capitalised is net of government grants received (Refer note 11 (c)).
- The figures in light print are for the previous year.

Notes forming part of the Financial Statements (Contd.)

Note 14: Non-Current Investments

	Face Value ₹		As at 31st March, 2013				As at 31st March, 2012			
		Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores	Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores	
Investments (At cost):										
A Trade										
Investments in equity instruments (fully paid up)										
i) Investment in Subsidiary Companies:										
Rallis India Limited	₹	1	9,73,41,610	479.97	-	479.97	9,73,41,610	479.97	-	479.97
Homefield International Pvt. Ltd., Mauritius (note 28 (xix))	MUR	1	9,00,16,001	-	408.76	408.76	9,00,16,001	-	408.76	408.76
Bio Energy Ventures -1 (Mauritius) Pvt. Ltd.	USD	1	57,38,81,426	-	2,389.42	2,389.42	56,93,81,426	-	2,365.12	2,365.12
ii) Investment in Joint Venture Companies:										
Khet-Se Agriproduce India Pvt. Ltd. (note 'a' below)	₹	1	-	-	-	-	13,90,35,429	-	13.90	13.90
Indo Maroc Phosphore, S.A., Morocco	MAD	1000	2,06,666	-	166.26	166.26	2,06,666	-	166.26	166.26
Investments in Redeemable Preference shares										
i) Investment in Subsidiary Companies:										
5% Non Cumulative Redeemable Preference Shares of Homefield International Pvt. Ltd., Mauritius	USD	100	62,844	-	34.02	34.02	1,70,005	-	77.86	77.86
5% Non Cumulative Redeemable Preference Shares of Bio Energy Venture -1 (Mauritius) Pvt.Ltd	USD	100	1,85,000	-	100.21	100.21	17,28,489	-	713.58	713.58
Total - Trade (A)			<u>479.97</u>	<u>3,098.67</u>	<u>3,578.64</u>		<u>479.97</u>	<u>3,745.48</u>	<u>4,225.45</u>	
B Other Investments										
Investments in equity instruments (fully paid up)										
i) Investment in other companies:										
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 Industries 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
Investments in Redeemable Preference shares (fully paid up)										
i) Fully paid Redeemable Preference Shares										
7.50% Redeemable Preference Shares of Tata Sons Ltd.	₹	1,000	-	-	-	-	2,00,000	-	20.00	20.00
Investments in Compulsorily Convertible Debentures (fully paid up)										
i) Fully paid Compulsorily Convertible Debentures										
Tata Power Renewable Energy Limited	₹	10	2,890,000	-	2.89	2.89	-	-	-	-
Total - Other Investments (B)			<u>113.67</u>	<u>269.77</u>	<u>383.44</u>		<u>113.67</u>	<u>286.88</u>	<u>400.55</u>	
Total (A+B)			<u>593.64</u>	<u>3,368.44</u>	<u>3,962.08</u>		<u>593.64</u>	<u>4,032.36</u>	<u>4,626.00</u>	
Less: Provision for diminution in value of investments			-	-	-	-	-	12.38	12.38	
Total			<u>593.64</u>	<u>3,368.44</u>	<u>3,962.08</u>		<u>593.64</u>	<u>4,019.98</u>	<u>4,613.62</u>	
Aggregate of quoted Investments (net of provision)					593.64				593.64	
Aggregate market value of listed and quoted investments					2,225.16				2,211.31	
Aggregate amount of unquoted investments					3,368.44				4,019.98	

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

Abbreviations for Currencies

₹: Indian Rupees

MUR: Mauritian Rupees

USD: United States Dollars

MAD: Moroccan Dirhams

Note:

(a) The Company has disposed off it's stake in Khet-Se Agriproduce India Pvt. Ltd., a joint venture company during the year ended 31st March, 2013.

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
Note 15: Long-Term Loans and Advances

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Unsecured, considered good			
(a) Capital advances		10.87	5.63
(b) Security deposits (with Government, public bodies and others)		19.09	18.10
(c) Advance towards preference / equity commitments of subsidiaries (note 28(ii)(b))		6.51	16.27
(d) Loans and advances to employees		4.29	4.01
(e) Gratuity funds		4.50	-
(f) Advances recoverable in cash / kind		14.78	7.39
(g) Advances to suppliers		-	19.21
(h) Advance payment of taxes (net of provision)		207.11	123.70
2. Doubtful			
(a) Advances recoverable in cash / kind	0.32		0.44
Less: Provision for advances recoverable in cash / kind	(0.32)		(0.44)
		-	-
		<u>267.15</u>	<u>194.31</u>

Note 16: Other Non-Current Assets

	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Other non-current assets	2.78	6.31
	<u>2.78</u>	<u>6.31</u>

Note 17: Current Investments

	Face Value		As at 31st March, 2013				As at 31st March, 2012			
		Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores	Holdings	Quoted ₹ in crores	Unquoted ₹ in crores	Total ₹ in crores	
A Current Investments (At lower of cost and fair value)										
Investments in equity instruments (fully paid up)										
i) Investment in Other Companies:										
IFCI Venture Capital Funds Ltd.	₹	10	2,50,000	-	0.25	0.25	2,50,000	-	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/-										

Note 18: Inventories

	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Raw materials	504.89	556.15
2. Work-in-process	26.49	30.79
3. Finished goods	155.10	108.06
4. Stock-in-trade (acquired for trading)	140.88	457.41
5. Stores and spare parts, packing materials	100.11	100.81
	<u>927.47</u>	<u>1,253.22</u>
Inventories include goods in transit:		
(a) Raw materials	101.03	10.91
(b) Finished goods	-	0.61
(c) Stock-in-trade (acquired for trading)	60.74	337.38
(d) Stores and spares	0.35	0.06

Notes forming part of the Financial Statements (Contd.)

Note 19: Trade Receivables

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Over six months old from due date:			
(a) Unsecured, considered good	522.22		50.82
(b) Doubtful	23.93		17.92
	<u>546.15</u>		<u>68.74</u>
(c) Less: Provision for doubtful trade receivables.....	23.93		17.92
		522.22	50.82
2. Others:			
(a) Unsecured, considered good	1,962.66		1,439.63
(b) Doubtful	-		5.97
	<u>1,962.66</u>		<u>1,445.60</u>
(c) Less: Provision for doubtful trade receivables.....	-		5.97
		1,962.66	1,439.63
		<u>2,484.88</u>	<u>1,490.45</u>

Note:

- (a) Trade receivables include ₹ 1,752.63 crores (previous year ₹ 1,166.73 crores) on account of subsidy receivable from the Government, of this an amount of ₹ 513.25 crores (previous year ₹ 50.39 crores) is due for more than six months.

Note 20: Cash and Cash Equivalents

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Balances with banks in			
(a) Current accounts	151.54		51.44
(b) Deposit accounts	<u>938.67</u>		<u>840.15</u>
		1,090.21	891.59
2. Cheques, drafts on hand.....		1.59	0.14
3. Cash on hand.....		<u>0.18</u>	<u>0.12</u>
		<u>1,091.98</u>	<u>891.85</u>

Note:

- (a) Earmarked balance with banks

12.43 9.95

Note 21: Short-Term Loans and Advances

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Unsecured, considered good			
(a) Deposits with Government, public bodies and others.....		50.74	45.91
(b) Advances recoverable in cash / kind		100.96	92.02
(c) Advances to suppliers		102.87	73.56
(d) Advances to employees		1.72	2.88
(e) Other receivables		<u>36.88</u>	<u>14.94</u>
		<u>293.17</u>	<u>229.31</u>

Note:

- (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 ₹ 0.02 crore).

Note 22: Other Current Assets

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Income accrued on investments.....	2.29		1.62
2. Claims receivable.....	12.50		29.11
3. Other current assets	<u>5.03</u>		<u>7.40</u>
	<u>19.82</u>		<u>38.13</u>

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
Note 23: Revenue From Operations

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Sales:			
(a) Sales (note 'a' below).....		8,667.39	8,071.56
2. Other operating income:			
(a) Insurance claims	5.22		1.04
(b) Town income	2.32		2.41
(c) Liabilities no longer required - written back.....	38.13		15.00
(d) Miscellaneous income	43.27		65.17
		88.94	83.62
		<u>8,756.33</u>	<u>8,155.18</u>

Note:

- (a) Sales include subsidy income of ₹ 2,410.95 crores (previous year ₹ 2,841.04 crores)

Note 24: Other Income

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Dividend Income:			
(a) Current investments.....	47.62		50.12
(b) Long-term Investments			
(i) Subsidiaries	21.42		20.44
(ii) Joint ventures	-		100.28
(iii) Other	30.34		29.46
	51.76		150.18
		99.38	200.30
2. Interest Income:			
(a) On bank deposits	7.47		14.59
(b) On loans and advances	0.18		0.19
(c) On refund of taxes	3.10		13.82
(d) Other interest	0.73		0.15
		11.48	28.75
3. Net gain / loss on sale / redemption of investments:			
(a) Current investments.....	0.02		0.05
(b) Long-term investments (note 'a' below)	245.14		79.47
		245.16	79.52
4. Other non-operating income		9.58	-
		<u>365.60</u>	<u>308.57</u>

Note:

- (a) Net gain / loss on sale / redemption of long-term investment includes profit on redemption of the Company's Investment in 17,28,489 and 2,20,161 Non Cumulative Redeemable Preference Shares of US\$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 crores (previous year 6,46,845 Non Cumulative Redeemable Preference Shares of US\$100 each in Homefield International Pvt. Ltd., amounting to ₹ 28.24 crores), arising on foreign currency fluctuation.

Notes forming part of the Financial Statements (Contd.)

Note 25: Employee Benefits Expenses

	₹ in crores	Previous year ₹ in crores
1. Salaries, wages and bonus.....	203.66	183.44
2. Contribution to provident and other funds.....	13.60	18.42
3. Contribution to group insurance scheme.....	0.04	0.03
4. Workmen and staff welfare expenditure.....	56.26	37.86
	<u>273.56</u>	<u>239.75</u>

Note 26: Finance Costs

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Interest expenses			
(a) Debentures and fixed loans.....	167.36		174.40
(b) Other loans.....	19.15		15.51
		186.51	189.91
2. Discounting and other charges		16.74	20.28
		<u>203.25</u>	<u>210.19</u>

Note 27: Other Expenses

	₹ in crores	Previous year ₹ in crores
1. Stores and spare parts consumed.....	85.80	75.12
2. Packing materials consumed	240.04	211.65
3. Power and fuel	726.36	685.22
4. Repairs - Buildings	6.63	6.04
- Machinery	67.69	52.44
- Others.....	0.84	1.01
5. Rent.....	39.00	27.13
6. Royalty, rates and taxes	21.14	12.23
7. Excise duty adjustment for stocks	3.06	4.37
8. Commission and distributors' service charges / discount.....	190.45	140.22
9. Sales promotion expenses	149.54	102.07
10. Insurance charges.....	13.36	12.77
11. Freight and forwarding charges	615.31	478.98
12. Loss on assets sold, discarded or write off.....	12.13	22.63
13. Provision for doubtful debts and advances - written back (net) ...	2.62	3.96
14. Foreign exchange (gain) / loss (net)	165.75	71.29
15. Directors' fees / commission	6.47	6.05
16. Other provisions (note 28(v)).....	0.59	16.20
17. Others	196.20	180.16
	<u>2,542.98</u>	<u>2,109.54</u>

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
Notes:

(a) Other expenses ₹ 196.20 crores (previous year ₹ 180.16 crores) (note 27(17)) includes:	₹ in crores	Previous year ₹ in crores
1. Auditors' Remuneration		
(i) For services as Auditors [includes ₹ 0.04 crore to Cost Auditors (previous year ₹ 0.03 crore)]	1.69	1.68
(ii) For tax matters	0.24	0.24
(iii) For other services [includes ₹ Nil crore to Cost Auditors (previous year ₹ * crore)]	1.13	1.37
(iv) Reimbursement of travelling and out-of-pocket expenses [includes ₹ * crore to Cost Auditors (previous year ₹ * crore)]	0.11	0.18
(v) Service tax [includes ₹ * crore to Cost Auditors (previous year ₹ * crore)]	0.38	0.34
	3.55	3.81
2. Donations and Other Contribution	6.45	5.38

(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

(a) Remuneration including ₹ 0.13 crore (previous year ₹ 0.11 crore) towards Company's contribution to provident fund and superannuation fund.	₹ in crores	Previous year ₹ in crores
(b) Provision/(reversal) for post retirement obligation	1.94	(0.09)
(c) Commission	3.70	3.35
(d) Estimated value of benefits in cash or in kind	0.14	0.14
	8.22	6.53

Note:

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

(c) Expenditure incurred on Scientific Research and Development Activities @

(i) Revenue Expenditure (Note 25 and 27 of statement of profit and loss includes):	₹ in crores	Previous year ₹ in crores
(a) Innovation Centre, Pune	13.70	13.41
(b) Centre for agri-solutions and technology, Aligarh	1.02	0.84
(c) Mithapur, Okhalamandal	0.43	0.74
(ii) Capital expenditure		
(a) Innovation Centre, Pune	2.25	0.38
(b) Centre for agri-solutions and technology, Aligarh	-	0.05
(c) Mithapur, Okhalamandal	-	0.96

@ The above figures are as certified by the Management and relied upon by the Auditors.

Notes forming part of the Financial Statements (Contd.)

Note 28: Other Notes

(i) Earnings per Share (EPS):

Basic and Diluted

		2012-13	2011-12
(a) Profit after tax.....	₹ in crores	643.32	586.60
(b) The weighted average number of ordinary shares of ₹10 each			
Total number of shares	Nos.	25,47,56,278	25,47,56,278
(c) Earnings Per Share	₹	25.25	23.03

(ii) Related Party Disclosure:

(a) Related Parties and their relationship (as identified by the Management)

Subsidiaries	Joint Ventures	Associate	Key Management Personnel
Direct	Direct		Mr. R. Mukundan,
Homefield International Pvt. Limited, Mauritius	Indo Maroc Phosphore S. A., Morocco	EPM Mining Venture Inc, Canada	Managing Director
Rallis India Limited, (Rallis) India \$	Khet-se Agriproduce India Pvt. Limited @		Mr. P. K. Ghose, Executive Director & CFO
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, Mauritius			
Indirect	Indirect		Promoter Group
Homefield PVT. UK Limited, United Kingdom	Alcad, United State of America		Tata Sons Limited, India
Tata Chemicals Africa Holdings Limited, United Kingdom	Kemex B.V., Netherlands		
Tata Chemicals South Africa (Proprietary) Limited, South Africa	JOil (S) Pte. Ltd, Singapore		
Tata Chemicals Magadi Limited, United Kingdom	The Block Salt Company Limited , United Kingdom		
Magadi Railway Company Limited, Kenya	Natronx Technologies LLC, United States of America		
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			
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**			
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 (formerly known as Tata Chemicals Asia Pacific Pte. Limited)			
Grown Energy Zambeze Holdings Pvt. Ltd, Mauritius			
Grown Energy (Pty) Limited, South Africa			
Grown Energy Zambeze Limitada, Mozambique			
Rallis Chemistry Exports Limited, India			
Metahelix Life Sciences Ltd., India			
Dhaanya Seeds Ltd., India			
Zero Waste Agro Organics Private Limited (ZWAOP), India #			
\$ Rallis India Limited is a listed company.			
** a general partnership formed under the laws of the State of Delaware (USA)			
# Ralis is holding 22.8% in ZWAOP. It is subsidiary of Rallis by way of management control, since majority of Board is nominated by Rallis.			
@ Khet-Se Agriproduce India Pvt. Ltd ceased to be a Joint Venture with effect from 26th March, 2013			

Tata Chemicals Limited

Notes forming part of the Financial Statements (Contd.)

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Notes:

1 In addition to the above, remuneration is paid to Key Management Personnel (note 27 (b)), under their contract of employment with the Company.

2 For investments in related parties as on 31st March, 2013 refer note 14.

3 The figures in light print are for previous year.

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Notes forming part of the Financial Statements (Contd.)

(iii) 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 ₹ 11.79 crores (previous year ₹ 11.94 crores) 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, 2013. 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, 2013 for the defined benefits plans.

(₹ in crores)

			As at 31st March, 2013			As at 31st March, 2012		
			Gratuity	Post retirement medical benefits	Directors' retirement obligations	Gratuity	Post retirement medical benefits	Directors' retirement obligations
1.	Changes in the defined benefit obligation:							
	Projected defined benefit obligation							
	At the beginning of the year	64.12	15.63	15.34	58.13	14.40	18.57	
	Current service cost	3.70	0.49	0.26	3.35	0.47	0.25	
	Interest cost	5.48	1.36	1.30	4.72	1.19	1.49	
	Actuarial (gain) / loss.....	3.45	6.82	7.08	3.23	0.54	(4.31)	
	Transfer in / transfer out.....	(0.19)	-	-	-	-	-	
	Benefits paid.....	(7.04)	(0.70)	(0.93)	(5.31)	(0.97)	(0.66)	
	At the end of the year	69.52	23.60	23.05	64.12	15.63	15.34	
2.	Changes in the fair value of plan assets:							
	Fair value of plan assets							
	At the beginning of the year	61.10	-	-	57.80	-	-	
	Expected return on plan assets	5.16	-	-	4.70	-	-	
	Employer's contributions	9.36	0.70	0.93	2.51	0.97	0.66	
	Actuarial gain / (loss).....	5.68	-	-	1.40	-	-	
	Transfer in / transfer out.....	(0.19)	-	-	-	-	-	
	Benefits paid.....	(7.04)	(0.70)	(0.93)	(5.31)	(0.97)	(0.66)	
	At the end of the year	74.07	-	-	61.10	-	-	
	Effect of the limit in Para 59(b)	(0.06)	-	-	-	-	-	
	(Asset) / liability (net).....	(4.49)	23.60	23.05	3.02	15.63	15.34	

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
3. Net employee benefit expense (recognised in Employee Cost) for the year:

(₹ in crores)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Gratuity	Post retirement medical benefits	Directors' retirement obligations
Current service cost	3.70	0.49	0.26	3.35	0.47	0.25
Interest defined benefit obligation	5.48	1.36	1.30	4.72	1.19	1.49
Expected return on plan assets	(5.16)	-	-	(4.70)	-	-
Net actuarial (gain) / loss recognised in the year	(2.23)	6.82	7.08	1.83	0.54	(4.31)
Effect of the limit in para 59(b) of AS 15...	0.06	-	-	-	-	-
Total expenses recognised in the statement of profit and loss	1.85	8.67	8.64	5.20	2.20	(2.57)
Expected employer's contribution next year	-	0.74	1.07	3.02	0.50	0.68
Actual return on plan assets	10.84	-	-	6.10	-	-

4. Categories of plan assets as a percentage of the fair value of total plan assets:

	Gratuity	
	2012-13	2011-12
	%	%
Government of India Securities	50	56
Corporate Bonds	36	37
Equity Shares of Listed Companies	3	2
Others	11	5
Total	100	100

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, 2013				
	Gratuity and compensated absences	Family benefit scheme	Post retirement medical benefits	Directors' retirement obligations	Long service awards
Discount rate	8.10%	8.10%	8.10%	8.10%	8.10%
	8.55%	8.55%	8.55%	8.55%	8.55%
Expected rate of return on plan assets	8.50%	NA	NA	NA	NA
	9.00%	NA	NA	NA	NA
Increase in Compensation cost	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
	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
Healthcare cost increase rate	NA	NA	6.00%	6.00%	NA
	NA	NA	6.00%	6.00%	NA
Pension increase rate	NA	NA	NA	5.00%	NA
	NA	NA	NA	5.00%	NA

- 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.
- Expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.
- The figures in light print are for previous year.

Notes forming part of the Financial Statements (Contd.)

6. Effect of Change in Assumed Health Care Cost Trend Rate for Post Retirement medical benefits (₹ in crores)

	2012-13		2011-12	
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	0.53	(0.41)	0.37	(0.29)
Effect on defined benefit obligation	4.46	(3.48)	2.86	(2.24)

7. Experience Adjustments (₹ in crores)

	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
	Gratuity					Directors' retirement obligations				
Defined benefit obligation	69.52	64.12	58.13	53.31	49.64	23.05	15.34	18.57	14.67	16.02
Plan assets	74.07	61.10	57.80	57.08	50.87	-	-	-	-	-
Surplus / (deficit)	4.55	(3.02)	(0.33)	3.77	1.23	(23.05)	(15.34)	(18.57)	(14.67)	(16.02)
Experience adjustments on plan liabilities	0.99	5.25	(1.64)	3.47	(1.81)	5.20	(3.53)	2.82	(0.16)	10.46
Experience adjustments on plan assets	5.68	1.40	(4.35)	0.31	1.76	-	-	-	-	-
	Post retirement medical benefits					Family benefit scheme				
Defined benefit obligation	23.59	15.63	14.40	15.00	11.32	15.07	14.95	11.36	11.32	-
Plan assets	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit)	(23.59)	(15.63)	(14.40)	(15.00)	(11.32)	(15.07)	(14.95)	(11.36)	(11.32)	-
Experience adjustments on plan liabilities	5.09	1.65	(1.53)	4.95	2.60	(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.

(iv) The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures are as given below:

(₹ in crores)

Particulars	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	
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%		33.30%	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Liabilities	-	2.35	106.50	83.90	0.42	0.42	6.27	6.91	1.18	1.73	1.53	1.01	8.59	9.53
Assets	-	3.38	299.18	264.11	0.78	0.77	8.71	9.58	45.19	40.36	2.81	2.62	103.34	36.22
Income	0.01	1.28	495.73	581.97	-	-	124.28	100.32	1.70	1.68	6.20	5.20	15.41	4.48
Expenditure	1.23	3.16	489.10	528.26	-	0.18	82.84	65.72	12.16	14.65	5.82	4.98	25.31	9.05
Profit / (loss) after tax for the year	(1.22)	(1.88)	6.63	53.71	-	(0.18)	41.44	34.60	(10.46)	(12.97)	0.38	0.22	(9.90)	(4.57)
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital commitments	-	-	-	-	-	-	-	-	1.49	2.92	-	-	-	-

Khet-Se Agriproduce India Private Limited ceased to be a joint venture with effect from 26th March, 2013

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
(v) Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2013:

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 crores)

Particulars	Warranty		Site Restoration Expenses		Contingencies		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Opening balance.....	0.15	-	12.57	12.57	14.13	-	4.10	2.18	30.95	14.75
Add: Provision during the year	0.59	0.34	-	-	-	14.13	-	1.92	0.59	16.39
Less: Payments / utilisation during the year.....	(0.64)	(0.19)	-	-	-	-	-	-	(0.64)	(0.19)
Less: Unused amount reversed during the year.....	-	-	-	-	(14.13)	-	(4.10)	-	(18.23)	-
Closing balance	0.10	0.15	12.57	12.57	-	14.13	-	4.10	12.67	30.95

(vi) Derivative Instruments:

(a) As at 31st March, 2013 the Company has the following derivative instruments outstanding:

(in million)

Particulars		Hedged Exposure	Currency	As at 2012-13	As at 2011-12
Foreign currency exchange contracts	USD / INR	Foreign currency loans	USD	220.34	48.73
	USD / INR	Foreign currency acceptances	USD	122.43	94.66
	USD / INR	Highly probable forecast transactions	USD	25.38	0.08
	EUR / INR	Highly probable forecast transactions	EUR	Nil	0.16
	USD / INR	External commercial borrowing	USD	107.40	46.00
Currency option contracts	USD / INR	Foreign currency acceptances	USD	2.15	88.12
	USD / INR	External commercial borrowing	USD	162.47	93.00
Swaps:					
Full currency swap (exchange rate / interest rate)	USD / INR	External commercial borrowing	USD	45.00	121.00
Cross currency swap	USD / JPY	External commercial borrowing	USD	285.00	475.00
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 ₹ 20.20 crores (USD 3.72 million) (previous year ₹ 7.12 crores (USD 1.40 million))
- Net accounts receivables / (payable) ₹ 197.14 crores (USD 36.32 million) (previous year ₹ (49.04) crores (USD (9.64) million))
- Liability arising out of cross currency swap ₹ 163.59 crores (USD 30.14 million) (previous year ₹ 1,399.06 crores (USD 275 million)).

Notes forming part of the Financial Statements (Contd.)

(vii) Contingent Liabilities and commitments (to the extent not provided for):

1. Contingent Liabilities:

(a) Guarantees:

- (i) Bank Guarantees issued by Banks on behalf of the Company ₹ **267.96 crores** (previous year ₹ 163.39 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.
- (ii) Guarantees provided to third parties on behalf of subsidiaries **USD 388.30 million (₹ 2,107.89 crores)** (previous year USD 138.30 million (₹ 703.60 crores))

- (b) Claims not acknowledged by the Company relating to cases contested by the Company and which, in the opinion of the Management, are not likely to devolve on the Company relating to the following areas:
(₹ in crores)

Sr. No.	Particulars	As at 2012-13	As at 2011-12
(i)	Excise and Customs	3.26	4.21
(ii)	Sales Tax.....	11.40	89.11
(iii)	Demand for utility charges.....	56.69	56.86
(iv)	Labour and other claims against the Company not acknowledged as debt.....	2.39	1.89
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	188.98	186.72
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	37.33	37.33

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

2. Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **37.40 crores** (previous year ₹ 59.67 crores).
- (b) Capital commitment towards investment in joint ventures ₹ **31.15 crores** (previous year ₹ 41.84 crores).
- (c) For commitments related to derivatives and leases refer note 28 (vi) and 28 (viii) respectively.

(viii) 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 crores)

	Particulars	As at 2012-13	As at 2011-12
(b)	Total of minimum lease payments	86.01	101.74
	The total of future minimum lease payments under non-cancellable operating leases for a period:		
	Not later than one year	16.20	15.73
	Later than one year and not later than five years.....	69.81	67.77
	Later than five years	-	18.24
(c)	Lease payments recognised in the Statement of Profit and Loss for the year	17.67	16.85

Tata Chemicals Limited

Notes forming part of the Financial Statements (Contd.)

- (d) The lease deposit of ₹ 25.00 crores (previous year ₹ 25.00 crores) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ 1.57 crores (previous year ₹ 2.20 crores) has been charged to the Statement of Profit and Loss on the principle of matching of revenue and costs.

(ix) Borrowing Costs Capitalised:

(₹ in crores)

Particulars	As at 2012-13	As at 2011-12
Borrowing costs capitalised during the year - as fixed assets / capital work-in-progress	0.99	1.41

(x) 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 crores to fund Company's various growth projects. As at 31st March, 2013, this balance of ₹ 363.40 crores (31st March, 2012 ₹ 363.40 crores) 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.

(xi) Sale of Products comprises of:

(₹ in crores)

Manufactured Goods:

	Sales	
	2012-13	2011-12
Soda Ash	1,329.73	1,121.08
Sodium Bicarbonate	158.90	138.93
Caustic Soda	17.67	14.41
Bromine	22.39	24.33
Vacuum Salt #	935.04	731.88
Gypsum	14.80	14.24
Cement	236.22	175.53
Clinker	16.46	4.15
Customised Fertiliser	41.77	71.97
Urea	1,631.72	1,398.07
Diammonium Phosphate (DAP)	813.01	956.56
Nitrogen Phosphate Potash (NPK)	954.18	1,000.67
Single Super Phosphate (SSP)	225.15	123.06
Sulphuric Acid	72.79	63.12
Others	34.68	0.92
Total - Sale of manufactured goods	6,504.51	5,838.92

Traded Goods:

Solar Evaporated Salt I-Shakti	140.79	151.15
Diammonium Phosphate (DAP)	1,260.62	1,041.09
Muriate of Potash (MOP)	125.04	451.69
Soda Ash	10.96	10.13
Fertiliser	526.99	497.05
Others	98.48	81.53
Total - Sale of traded goods	2,162.88	2,232.64
Total Sales	8,667.39	8,071.56

Sales of vacuum salt includes free issues under sales promotion schemes.

Notes forming part of the Financial Statements (Contd.)

(xii) Closing Stocks of Finished Goods and Work-in-Process comprises:

(₹ in crores)

	Finished Goods		Work-in-Process	
	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-13	As at 31-Mar-12
Soda Ash	22.37	10.78	2.32	1.32
Sodium Bicarbonate.....	1.91	1.57	-	-
Bromine	0.18	0.06	0.04	-
Vacuum Salt.....	54.12	22.80	-	-
Clinker.....	-	-	14.97	14.79
Gypsum	1.71	1.26	-	-
Cement.....	0.02	0.58	1.32	0.72
Ammonia	-	-	1.83	3.76
Customised Fertiliser	13.46	21.29	1.43	-
Urea.....	37.37	46.15	-	-
Diammonium Phosphate (DAP).....	9.45	0.26	-	-
Nitrogen Phosphate Potash (NPK)	1.21	0.24	-	-
Single Super Phosphate (SSP)	6.24	0.22	4.13	8.65
Sulphuric Acid.....	2.32	1.18	-	-
Phosphoric Acid.....	0.52	0.52	-	-
Sulphonic Acid.....	0.03	0.03	-	-
Others	4.19	1.11	0.45	1.55
Traded Goods:				
Solar Evaporated Salt I-Shakti	12.47	12.35	-	-
Soda Ash	1.63	-	-	-
Diammonium Phosphate (DAP).....	1.81	259.70	-	-
Muriate of Potash (MOP).....	63.26	109.85	-	-
Other - Trading.....	61.71	75.52	-	-
	295.98	565.47	26.49	30.79

Tata Chemicals Limited
Notes forming part of the Financial Statements (Contd.)
(xiii) Raw Materials consumed comprises:

(inclusive of materials produced and captively consumed)

(₹ in crores)

	2012-13	2011-12
Limestone @	147.52	132.47
Liquid Ammonia #.....	10.49	8.73
Salt **	39.40	35.85
Coke	100.50	88.50
Anthracite Coal	55.08	64.88
Indonesian Coal.....	28.54	35.39
South African coal.....	23.44	11.43
Soda Ash - Imported	70.90	0.12
Natural Gas.....	428.33	411.13
Regassified Liquified Natural Gas (RLNG).....	308.43	204.31
Customised Fertiliser	23.12	54.04
Phosphoric Acid.....	755.82	942.89
Ammonia	335.28	279.81
Muriate of Potash (MOP).....	314.95	292.61
Rock.....	168.44	106.76
Sulphur.....	49.26	73.65
Soda Ash	0.34	1.60
Neem Oil	3.12	2.90
Other Raw Materials ***	138.76	133.27
	3,001.72	2,880.34

@ Includes ₹ 2.57 crores (previous year ₹ 1.35 crores) pertaining to wages, salaries and other revenue account

Includes ₹ 0.63 crore (previous year ₹ 1.02 crores) pertaining to wages, salaries and other revenue account

** Includes ₹ 3.66 crores (previous year ₹ 4.64 crores) pertaining to wages, salaries and other revenue account

*** Includes ₹ 6.07 crores (previous year ₹ 8.42 crores) pertaining to wages, salaries and other revenue account

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

(₹ in crores)

	2012-13	2011-12
(a) Raw materials, fuel and traded products	2,855.55	3,801.49
(b) Stores, components and spare parts.....	13.76	14.16
(c) Capital goods.....	27.31	87.46
	2,896.62	3,903.11

Notes forming part of the Financial Statements (Contd.)

(xv) Expenditure in Foreign Currencies:

(₹ in crores)

	2012-13	2011-12
(a) Technical know how fees @.....	5.47	3.69
(b) Interest #.....	71.63	140.72
(c) Payments on other accounts #	3.09	6.29
	80.19	150.70

@ Expenditure ₹ **5.47 crores** (previous year ₹ 3.39 crores) at gross of TDS and ₹ **4.95 crores** (previous year ₹ 3.34 crores) net of TDS for the year 2012-13.

Expenditure at gross of TDS for the year 2012-13 and 2011-12.

(xvi) Remittances in Foreign Currencies for Dividends:

The Company has remitted during the year ₹ **41.22 crores** (previous year ₹ 39.05 crores) in foreign currencies on account of dividends and does not have information as to the extent to which other remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders.

	2012-13	2011-12
(a) Number of non-resident shareholders.....	2,823	2,650
(b) Number of ordinary shares held by them.....	4,12,24,633	3,90,50,165
(c) Gross amount of dividend (₹ in crores).....	41.22	39.05
(d) Year ended to which the dividend related.....	March-2012	March-2011

(xvii) Earnings in Foreign Exchange:

(₹ in crores)

	2012-13	2011-12
(a) Export of goods on F.O.B. basis	28.57	56.03
(b) Miscellaneous Income	18.06	1.77
(c) Dividend.....	-	100.28
	46.63	158.08

(xviii) Value of Imported and Indigenous Raw Materials, Stores, Components and Spare Parts Consumed:

		2012-13		2012-13		2011-12		2011-12	
		Raw Materials		Stores, Components and Spare Parts		Raw Materials		Stores, Components and Spare Parts	
		₹ in crores	%	₹ in crores	%	₹ in crores	%	₹ in crores	%
(a)	Imported	1,864.54	62.12	5.14	5.99	1,872.88	65.37	5.50	7.33
(b)	Indigenous #	1,137.18	37.88	80.66	94.01	1,007.46	34.63	69.62	92.67
		3,001.72	100.00	85.80	100.00	2,880.34	100.00	75.12	100.00

Includes ₹ **12.93 crores** (previous year ₹ 15.43 crores) pertaining to wages, salaries and other revenue accounts.

Tata Chemicals Limited

- (xix) The Company at its Board meeting held on 8th February, 2013, approved the Scheme of Amalgamation ('the Scheme') of Homefield International Pvt. Ltd. ('Homefield International Pvt. Ltd.') which is a wholly owned subsidiary of the Company with its registered office in Mauritius. No shares of the Company will be issued and allotted in lieu or exchange of the equity shares of Homefield International Pvt. Ltd. under the Scheme. The appointed date of the Scheme is 1st April, 2013. A petition is being filed with the High Court of Judicature at Bombay for approval of the Scheme. No effect has been given in the financial statements pending the High Court approval.
- (xx) During the year ended 31st March, 2013, the Company has recognised subsidy income of ₹ **44.91 crores** on Opening stock as on 1st April, 2011 of Raw Materials for Phosphatic and Potassic Fertilisers based on communication issued by Department of Fertilizers vide letter no. 23011/1/2010 – MPR (Pt) dated 22.08.12 with respect to earlier Office Memorandum dated 11th July, 2011 on mopping up of Subsidy increase under NBS Policy.
- (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
 R. Gopalakrishnan
 Nusli N. Wadia
 Nasser Munjee
 Dr. Yoginder K. Alagh
 Eknath A. Kshirsagar
 Dr. Y. S. P. Thorat
 Dr. Vijay Kelkar
 R. Mukundan
 P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director & CFO

Mumbai, 27th May, 2013

Rajiv Chandan
 General Counsel & Company Secretary

For the year ended 31st March, 2013

Summary of Financial Information of Subsidiary Companies under Section 212

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
													(₹ in crores)
1	Homefield International Pvt. Limited	Mauritius	USD	522.77	114.86	644.18	6.56	643.79	-	(0.73)	10.02	(10.75)	-
2	Tata Chemicals International Pte. Limited	Singapore	SGD	2,580.08	29.73	3,559.69	949.88	3,535.78	-	31.84	-	31.84	-
3	Homefield PVT. UK Limited	United Kingdom	USD	555.76	(759.31)	665.64	869.18	655.90	-	(547.27)	-	(547.27)	-
4	Homefield 2 UK Limited	United Kingdom	GBP	82.23	153.09	331.72	96.40	325.09	-	(615.88)	-	(615.88)	-
5	Tata Chemicals Europe Holdings Limited	United Kingdom	GBP	82.23	(541.34)	1,049.88	1,509.00	1,044.78	-	(780.94)	-	(780.94)	-
6	Brunner Mond Group Limited	United Kingdom	GBP	523.11	(25.75)	497.36	-	14.95	-	(557.45)	-	(557.45)	-
7	Tata Chemicals Europe Limited	United Kingdom	GBP	140.11	(175.22)	991.86	1,026.97	-	1,209.18	(276.05)	74.11	(201.93)	-
8	Brunner Mond Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
9	Tata Chemicals Magadi Limited	United Kingdom	USD	9.57	16.24	739.56	713.75	-	566.30	(121.03)	-	(121.03)	-
10	Tata Chemicals South Africa (Proprietary) Limited	South Africa	ZAR	*	18.98	40.94	21.96	-	68.92	0.67	0.18	0.49	-
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	32.45	8.85	41.29	-	37.65	-	-	-	-	-
14	Magadi Railway Company Limited	Kenya	USD	*	-	*	-	-	-	-	-	-	-
15	Brunner Mond B.V.	Netherlands	EUR	0.17	(292.21)	0.76	292.81	-	-	(0.12)	-	(0.12)	-
16	GUSIUTE Holdings (UK) Limited	United Kingdom	USD	3,710.58	609.47	4,472.15	152.11	4,415.65	-	131.67	-	131.67	51.57
17	Valley Holdings Inc.	United States of America	USD	*	4,618.73	4,610.17	(8.55)	-	-	(9.47)	(1.90)	(7.57)	140.88
18	Tata Chemicals North America Inc.	United States of America	USD	*	(1,004.60)	1,197.07	2,201.67	-	75.60	(137.84)	52.35	(190.20)	-
19	General Chemical International Inc.	United States of America	USD	-	0.01	0.01	-	-	-	-	-	-	-
20	NHO Canada Holdings Inc.	United States of America	USD	-	*	-	-	-	-	-	-	-	-
21	Tata Chemicals (Soda Ash) Partners (TCSAP)	United States of America	USD	-	1,358.38	2,053.49	695.11	94.84	2,595.41	627.00	-	627.00	-
22	General Chemical Great Britain Ltd.	United Kingdom	GBP	-	1.05	1.05	-	-	-	-	-	-	-
23	General Chemical Canada Holding Inc.	Canada	CAD	-	-	-	-	-	-	-	-	-	-
24	GCSAP Canada Inc.	Canada	CAD	-	-	-	-	-	-	-	-	-	-
25	Tata Chemicals (Soda Ash) Partners Holdings	United States of America	USD	-	(615.92)	(585.98)	29.94	-	-	(0.39)	-	(0.39)	-
26	TCSAP LLC	United States of America	USD	-	(21.02)	(21.02)	-	-	-	-	-	-	-
27	Bio Energy Venture - 1 (Mauritius) Pvt. Limited	Mauritius	USD	3,859.53	21.95	3,881.69	0.21	3,341.56	-	43.76	0.36	43.40	-
28	Grown Energy Zambze Holdings Pvt. Limited	Mauritius	USD	63.10	(0.69)	63.97	1.57	62.11	-	31.28	-	31.28	-
29	Grown Energy (Pty) Limited	South Africa	ZAR	*	(*)	*	-	-	-	-	-	-	-
30	Grown Energy Zambze Limitada	Mozambique	MZN	0.34	(25.53)	33.11	58.30	-	-	(10.33)	-	(10.33)	-
31	Rallis India Limited	India	INR	19.45	602.04	1,066.38	444.90	193.48	1,307.16	173.35	53.97	119.38	29.58
32	Rallis Chemistry Exports Limited	India	INR	0.05	(0.16)	0.08	0.19	-	-	(0.04)	-	(0.04)	-
33	Metahelix Life Sciences Limited	India	INR	0.11	60.10	64.20	3.99	-	12.50	1.16	-	1.16	-
34	Metaheix Seeds Limited	India	INR	2.57	1.20	122.80	119.02	-	141.19	2.67	-	2.67	-
35	Zero Waste Agro Organics Private Limited #	India	INR	0.06	3.88	5.94	2.00	-	2.50	(1.52)	(0.48)	(1.03)	-
36	British Salt Limited	United Kingdom	GBP	*	244.77	896.25	651.47	6.30	362.75	110.43	(1.18)	111.62	-
37	Cheshire Salt Holdings Limited	United Kingdom	GBP	1.15	(1.13)	0.02	-	-	-	-	-	-	-
38	Cheshire Salt Limited	United Kingdom	GBP	*	163.02	645.42	482.40	-	-	9.55	1.30	8.26	-
39	Brinefield Storage Limited	United Kingdom	GBP	0.01	(0.06)	-	0.05	-	-	-	-	-	-
40	Cheshire Cavity Storage 2 Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
41	Cheshire Compressor Limited	United Kingdom	GBP	*	-	*	-	-	-	-	-	-	-
42	Irish Feeds Limited	United Kingdom	GBP	*	-	*	-	-	5.32	(0.04)	-	(0.04)	5.21
43	New Cheshire Salt Works Limited	United Kingdom	GBP	6.27	8.34	14.60	-	1.23	-	0.82	-	0.82	0.82

Notes:

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

Tata Chemicals Limited**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, 2013, 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 judgement, 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 a joint venture and 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, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit 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 profit before tax and consolidated net profit after tax after the minority interest of the Group for the year ended 31st March, 2013 would have been lower by ₹ 155.34 crores and ₹ 116.92 crores respectively.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements / financial information of twenty eight subsidiaries and four jointly controlled entities, whose financial statements / financial information reflect total assets (net) of ₹ 3,951.29 crores as at 31st March, 2013, total revenues (net) of ₹ 2,535.19 crores and net cash flows amounting to ₹ 131.28 crores 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.

We did not audit the financial information of a jointly controlled entity, whose financial information is based on management accounts and reflects total assets (net) of ₹ Nil as at 31st March, 2013, and total revenues (net) of ₹ 0.01 crores for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial information also includes the Group's share of net loss of ₹ 3.08 crores for the year ended 31st March, 2013, 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**
Chartered Accountants
(Firm Registration No. 117366W)

B. P. Shroff
(Partner)
(Membership No. 034382)

MUMBAI, 27th May, 2013

Tata Chemicals Limited
Consolidated Balance Sheet as at 31st March, 2013

	Note	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	3	254.82		254.82
(b) Reserves and Surplus	4	6,158.74		6,081.45
			6,413.56	6,336.27
2. Minority Interest			536.14	448.09
3. Non-Current Liabilities				
(a) Long-Term Borrowings	5	5,460.90		5,484.54
(b) Deferred Tax Liabilities (net)	6	153.45		101.80
(c) Other Long-Term Liabilities	7	345.01		393.84
(d) Long-Term Provisions	8	1,241.89		1,058.88
			7,201.25	7,039.06
4. Current Liabilities				
(a) Short-Term Borrowings	9	1,489.67		461.59
(b) Trade Payables	10	2,084.83		2,635.66
(c) Other Current Liabilities	11	2,037.14		1,628.74
(d) Short-Term Provisions	12	473.03		485.02
			6,084.67	5,211.01
TOTAL			20,235.62	19,034.43
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets	13			
(i) Tangible Assets		4,048.17		4,374.74
(ii) Intangible Assets		30.56		19.71
(iii) Capital Work-in-Progress		572.80		524.23
(iv) Intangible Assets held under Development		18.80		24.96
		4,670.33		4,943.64
(b) Goodwill on Consolidation (net of impairment)	28(a)	6,627.02		6,358.74
(c) Non-Current Investments	14	598.37		606.39
(d) Deferred Tax Assets (net)	6	159.02		134.31
(e) Long-Term Loans And Advances	15	471.64		392.94
(f) Other Non-Current Assets	16	209.42		171.31
			12,735.80	12,607.33
2. Current Assets				
(a) Current Investments	17	1.29		3.27
(b) Inventories	18	1,601.82		1,863.24
(c) Trade Receivables	19	3,437.16		2,315.30
(d) Cash and Cash Equivalents	20	1,841.35		1,678.03
(e) Short-Term Loans and Advances	21	519.41		459.04
(f) Other Current Assets	22	98.79		108.22
			7,499.82	6,427.10
TOTAL			20,235.62	19,034.43

Notes forming part of Consolidated Financial Statements 1 - 29

In terms of our report attached

 For DELOITTE HASKINS & SELLS
Chartered Accountants

 B. P. Shroff
Partner

Mumbai, 27th May, 2013

 Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

 Cyrus P. Mistry
R. Gopalakrishnan
Nusli N. Wadia
Nasser Munjee
Dr. Yoginder K. Alagh
Eknath A. Kshirsagar
Dr. Y. S. P. Thorat
Dr. Vijay Kelkar
R. Mukundan
P. K. Ghose

 Chairman
Vice-Chairman

Directors

 Managing Director
Executive Director & CFO

Statement of Consolidated Profit and Loss for the year ended 31st March, 2013

	Note	₹ in crores	₹ in crores	Previous year ₹ in crores
I. REVENUE				
(a) Revenue From Operations (gross)	23	15,182.14		14,054.22
(b) Less: Excise Duty		323.31		239.19
(c) Net Revenue From Operations			14,858.83	13,815.03
II. Other Income	24		417.78	196.05
III. Total Revenue (I + II)			15,276.61	14,011.08
IV. EXPENSES				
(a) Cost of Materials Consumed		4,040.36		3,872.50
(b) Purchases of Stock-in-Trade		1,550.91		2,295.64
(c) Changes in Inventories of Work-In-Progress, Finished Goods and Stock-in-Trade		207.31		(490.60)
(d) Employee Benefits Expense	25	1,125.53		973.23
(e) Finance Costs (net)	26	463.91		427.00
(f) Depreciation and Amortisation Expense		533.88		508.68
(g) Other Expenses	27	5,771.81		4,888.84
Total Expenses			13,693.71	12,475.29
V. Profit Before Exceptional Items and Tax (III - IV)			1,582.90	1,535.79
VI. Exceptional Items	28		669.87	152.36
VII. Profit Before Tax (V - VI)			913.03	1,383.43
VIII. Tax Expense				
(a) Current Tax		252.24		326.30
(b) Deferred Tax		50.28		17.62
			302.52	343.92
IX. Profit After Tax Before Minority Interest (VII - VIII)			610.51	1,039.51
X. Share of Loss in Associate			3.08	2.46
XI. Minority Interest			207.03	199.46
XII. Profit For the Year (IX - X - XI)			400.40	837.59
XIII. EARNINGS PER SHARE (₹)	29(ii)			
(Face value per share - ₹ 10)				
(a) Basic			15.72	32.88
(b) Diluted			15.72	32.88

Notes forming part of Consolidated Financial Statements

1 - 29

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 27th May, 2013

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

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Chairman
Vice-Chairman

Directors

Managing Director
Executive Director & CFO

Tata Chemicals Limited
Consolidated Cash Flow Statement for the year ended 31st March, 2013

	₹ in crores	Previous year ₹ in crores
A Cash Flow from Operating Activities		
Profit before Tax	913.03	1,383.43
Adjustments for:		
Depreciation and amortisation	533.88	508.68
Impairment of assets (net of Reversal)	471.55	48.45
Finance costs	463.91	427.00
Interest income	(17.14)	(36.57)
Dividend income	(78.84)	(79.83)
Grants received	(0.42)	(0.32)
Profit on sale of investments (net)	(0.02)	(51.41)
Foreign exchange gain realised on redemption of investments	(245.14)	(28.24)
Provision for doubtful debts and advances	3.28	4.17
Unrealised foreign exchange loss (net)	322.68	135.67
(Profit) / loss on assets sold or discarded (net)	(76.64)	25.94
Operating Profit before Working Capital Changes	2,290.13	2,336.97
Adjustments for:		
Trade and other receivables	(1,091.41)	(1,072.21)
Inventories	264.06	(717.65)
Trade payables, other liabilities and provisions	(881.01)	948.86
Cash generated from Operations	581.77	1,495.97
Taxes paid (net of refund)	(358.43)	(280.64)
Net Cash generated from Operating Activities	223.34	1,215.33
B Cash Flow from Investing Activities		
Acquisition of fixed assets (including capital work-in-progress)	(625.72)	(794.82)
Proceeds on sale of fixed assets	41.52	33.79
Proceeds from sale of other long-term investments	-	99.31
Proceeds on sale of current investments	9,788.63	6,552.18
Purchase of long-term investments	(2.89)	(58.17)
Purchase of current investments	(9,765.65)	(6,549.42)
Foreign exchange gain realised on redemption of investments	245.14	28.24
Investment in associate	-	(188.58)
Interest received	16.84	35.13
Dividend received	78.84	79.83
Consideration paid on acquisition / investment in subsidiary	(15.50)	(3.97)
Consideration received on disposal of investment in joint venture	0.05	-
Net Cash used in Investing Activities	(238.74)	(766.48)

Consolidated Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

	₹ in crores	Previous year ₹ in crores
C Cash Flow from Financing Activities		
Proceeds of borrowings	4,453.62	2,801.15
Repayment of borrowings	(3,424.19)	(2,019.72)
Finance costs paid	(464.05)	(480.00)
Payment to minority interest	(133.48)	(177.28)
Capital subsidy / grants received	0.67	0.32
Dividends paid including distribution tax	(302.24)	(319.42)
Net Cash generated from / (used in) Financing Activities	130.33	(194.95)
Net Increase in cash and cash equivalents	114.93	253.90
Cash and cash equivalents as at 1st April (opening balance)	1,678.03	1,345.04
Add: Cash and bank balance taken over on acquisition	5.00	0.17
Less: Cash and bank balance discharged on disposal	(0.09)	-
Exchange difference on translation of foreign currency cash and cash equivalents	43.48	78.92
Cash and cash equivalents as at 31st March (note 20) (closing balance)	1,841.35	1,678.03

Notes:

- (a) Cash and cash equivalents include earmarked balance of ₹ 13.39 crores (previous year ₹ 9.95 crores).
- (b) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 27th May, 2013

Rajiv Chandan
General Counsel & Company Secretary

For and on behalf of the Board

Cyrus P. Mistry
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P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director & CFO

Tata Chemicals Limited
Notes forming part of the 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, 2013.
- 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 the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

(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 Standards 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

(c) Particulars of subsidiaries and joint ventures:

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2013
Subsidiaries		
Rallis India Limited (Rallis)	India	50.06%
Rallis Chemistry Exports Limited	India	100% subsidiary of Rallis
Metahelix Life Sciences Limited#	India	77.02% subsidiary of Rallis
Dhaanya Seeds Limited	India	100% subsidiary of Metahelix
Zero Waste Agro Organics Private Limited (ZWAOPL)##	India	22.81% holding by Rallis
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 Holding, 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 Ltd.	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%
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 Ltd.	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. Ltd.	Mauritius	100%
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Mauritius	100%
Grown Energy Zambeze Holdings Pvt. Ltd.	Mauritius	100%
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	94%

During the year Rallis has acquired additional equity shares, consequent to which share has increased to 77.02% from 75.64% in previous year.

Rallis acquired 22.81% in ZWAOPL during the year. It is a subsidiary by way of management control.

** A general partnership formed under the laws of the State of Delaware (USA).

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
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. Limited	Singapore	33.78%
Indo Maroc Phosphore S. A.	Morocco	33.33%
Natronx Technologies LLC	United States of America	TCSAP holds 33.3%
Khet-Se Agriproduce India Private Limited @		

Associate

EPM Mining Ventures Inc.	Canada	25.70%
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Promotor Group

Tata Sons Limited	India
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@ 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 the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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.

(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.

Notes forming part of the Consolidated Financial Statements (Contd.)

Intangible 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 7% of the net block of machinery and equipment of the Group (previous year 6%) 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 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.

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
(i) Revenue Recognition
Sale of Goods

Sales are recognised, net of returns 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

Revenue 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 Issue 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
(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

Notes forming part of the Consolidated Financial Statements (Contd.)

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 & 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)).

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 paid / payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected.
- (ii) Liability under "Early Separation Scheme" is computed and accounted at the net present value.

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)

- (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 for the years ended 31st March, 2012 and 31st March, 2013 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 the 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 which they are intended to compensate on a systematic basis.

Notes forming part of the Consolidated Financial Statements (Contd.)

(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.

Tata Chemicals Limited

Notes forming part of the Consolidated Financial Statements (Contd.)

	Number of shares	₹ in crores	Number of shares	As at 31-Mar-12 ₹ in crores
Note 3: Share Capital				
1. Authorised:				
Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
2. Issued:				
Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
3. Subscribed and fully paid up:				
Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
4. Forfeited Shares:				
Amount originally paid up on forfeited shares	86,320	0.06	86,320	0.06
		254.82		254.82
Notes:				
(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Issued share capital:	Number of shares	₹ in crores	Number of shares	₹ in crores
Ordinary shares:				
At the beginning of the year	25,48,42,598	254.84	25,48,42,598	254.84
Outstanding at the end of the year	25,48,42,598	254.84	25,48,42,598	254.84
Subscribed and paid up:				
Ordinary shares:				
At the beginning of the year	25,47,56,278	254.76	25,47,56,278	254.76
Outstanding at the end of the year	25,47,56,278	254.76	25,47,56,278	254.76
(b) The equity shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The equity shares are also subject to restrictions as prescribed under the Companies Act, 1956.				
(c) Details of shares held by each shareholder more than 5 % of shares:				
Ordinary shares with voting rights	Number of shares	%	Number of shares	%
(i) Tata Sons Ltd.	4,93,06,423	19.35	4,93,06,423	19.35
(ii) Tata Investment Corporation Ltd.	1,57,53,501	6.18	1,57,53,501	6.18
(iii) Life Insurance Corporation of India	1,56,76,405	6.15	2,05,54,959	8.07
(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				
Hind Lever Chemicals Limited	3,44,64,000		3,44,64,000	
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 Securities premium account	9,29,70,000		9,29,70,000	
General reserve	1,24,32,144		1,24,32,144	
# No such shares have been issued during the previous five years.				

Notes forming part of the Consolidated Financial Statements (Contd.)

Note 4: Reserves and Surplus

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Capital reserve:			
Balance as per last account		0.66	0.66
2. Capital redemption reserve:			
Balance as per last account		0.10	0.10
3. Securities premium:			
Balance as per last account		1,258.89	1,258.89
4. Debenture redemption reserve:			
Balance as per last account	265.00		252.50
Add: Transferred from statement of profit and loss	12.50		12.50
		277.50	265.00
5. Foreign currency monetary item translation difference account (net of taxes): (note 'a' below)			
Balance as per last account	(81.72)		-
Add: Effect of foreign exchange rate variation during the year	(90.03)		(138.69)
Less: Amortisation for the year	112.98		56.97
		(58.77)	(81.72)
6. Foreign currency translation reserve (FCTR):			
Balance as per last account	747.55		121.98
Add: Net adjustments during the year	73.72		625.57
		821.27	747.55
7. Surplus on amalgamation:			
Balance as per last account	20.07		20.75
Less: Net adjustments during the year	-		(0.68)
		20.07	20.07
8. General reserve:			
Balance as per last account	1,096.86		1,028.06
Add: Transferred from statement of profit and loss	76.27		68.80
		1,173.13	1,096.86
9. Actuarial gains / (losses) (net of tax): (note 29(iv)(d))			
Balance as per last account	(315.48)		(158.32)
Add: Net adjustments during the year	(116.92)		(157.16)
		(432.40)	(315.48)
10. Other Reserves:			
Balance as per last account	11.19		5.88
Add: Net adjustments during the year	0.40		5.31
		11.59	11.19
11. Surplus in statement of profit and loss:			
Balance as per last account	3,078.33		2,666.37
Add: Profit for the year	400.40		837.59
Less:			
(a) Dividend proposed to be distributed to equity shareholders (₹ 10 per share)	(254.76)		(254.76)
(b) Tax on dividend	(48.50)		(64.50)
(c) Transfer to general reserve	(76.27)		(68.80)
(d) Transfer to debenture redemption reserve	(12.50)		(12.50)
(e) Transfer to other reserves	-		(5.31)
(f) Transfer from FCTR	-		(19.76)
		3,086.70	3,078.33
		6,158.74	6,081.45

Note:

- (a) 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 as on 31st March, 2013 of ₹ (58.77) crores (net of tax) (previous year ₹ (81.72) crores (net of tax)) is presented as "Foreign Currency Monetary item Translation Difference Account" (FCMTDA).

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
Note 5: Long-Term Borrowings

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Debentures			
(a) Secured			
(i) 11.80% Secured redeemable non-convertible debentures (note 11(a))	-		240.00
(ii) 9.05% Secured redeemable non-convertible debentures	-		75.00
	-		315.00
(b) Unsecured (note 'a' below)	250.00	250.00	250.00
			565.00
2. Term Loans (secured)			
(a) From banks		4,004.47	2,839.86
3. Finance lease obligations (secured)		1.35	0.24
4. Other loans and advances (unsecured)			
(a) From banks			
(i) External commercial borrowing (note 'b' below)	822.92		1,712.57
(ii) Others	237.89		224.95
	1,060.81		1,937.52
(b) 6.44% Senior notes due in 2017	135.16		127.45
(c) From others	9.11		14.47
		1,205.08	2,079.44
		5,460.90	5,484.54

Notes:

- (a) 10% Unsecured Redeemable Non-convertible Debentures face value ₹ 10 lakhs each redeemable at par on 2nd July, 2019.
- (b) The external commercial borrowing is due for repayment on 4th June, 2014 and 21st October, 2016 in installments of ₹ 515.71 crores (USD 95 million) and ₹ 307.21 crores (USD 60 million) respectively.

Note 6: Deferred Tax

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

	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
	Deferred Tax Liability		Deferred Tax Asset	
1. Deferred Tax Assets:				
(a) Provision for doubtful debts and advances	24.78	23.95	-	-
(b) Provision for employee benefits	18.34	14.05	268.55	234.96
(c) Exchange differences	137.11	145.94	-	-
(d) Other timing differences	5.78	15.94	83.77	84.64
	186.01	199.88	352.32	319.60
2. Deferred Tax Liability:				
(a) Depreciation	336.47	295.98	30.10	29.50
(b) Other timing differences	2.99	5.70	163.20	155.79
	339.46	301.68	193.30	185.29
Net deferred tax asset / (liability)	(153.45)	(101.80)	159.02	134.31

Notes forming part of the Consolidated Financial Statements (Contd.)

Note 7: Other Long-Term Liabilities

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Trade payables		35.25	31.33
2. Others			
(a) Pension payable on Employee Separation Scheme (note 'a' below)	0.61		1.28
(b) Security deposit	40.54		38.23
(c) Other payables (note 11(c))	268.61		323.00
		309.76	362.51
		345.01	393.84

Note:

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

Note 8: Long-Term Provisions

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Provision for employee benefits	1,179.08		1,022.87
2. Provision for site restoration expenditure (note 29(vi))	51.08		24.28
3. Provision for tax (net of advance tax)	11.73		11.73
	1,241.89		1,058.88

Note 9: Short-Term Borrowings

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Loans repayable on demand			
(a) Secured			
From banks:			
(i) Cash credits (note 'a' below)	8.41		8.93
(ii) Loans against subsidy receivables (note 'b' below)	179.63		-
		188.04	8.93
(b) Unsecured - From banks		15.00	-
2. Other loans and advances			
(a) Secured			
From banks: Term loan	90.53		204.73
(b) Unsecured			
From banks:			
(i) Buyer's credit	1,196.10		247.93
		1,286.63	452.66
		1,489.67	461.59

Notes:

- (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.

Note 10: Trade Payables

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Acceptances (supplier's credit)	599.97		1,016.29
2. Trade payables other than acceptances	1,278.70		1,440.75
3. Other payables	206.16		178.62
	2,084.83		2,635.66

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
Note 11: Other Current Liabilities

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Current maturities of long-term debts			
(a) Debentures			
Secured (note 'a' below)	315.00		-
(b) Other loans and advances			
Unsecured			
(i) External commercial borrowing (note 'b' below)	1,019.26		907.66
(ii) From others	95.37		198.46
		1,429.63	1,106.12
2. Current maturities of finance lease obligation		3.72	8.48
3. Interest accrued but not due on borrowings		70.38	69.53
4. Liability towards investor protection fund			
(a) Unclaimed dividends	11.80		10.73
(b) Unclaimed debentures and interest	0.01		0.01
		11.81	10.74
5. Deposits		6.58	6.39
6. Other payables			
(a) Advances received from customers	106.51		94.27
(b) Creditors for capital goods	33.59		24.98
(c) Other liabilities (note 'c' below)	374.92		308.23
		515.02	427.48
		2,037.14	1,628.74

Notes:

- (a) (i) 11.80% Secured Redeemable Non-Convertible Debentures face value ₹ 10 lakhs each redeemable at par on 18th December, 2013, secured by pari passu charge on the Company's properties at Babrala and Mithapur.
- (ii) 750 (previous year 750) 9.05% Secured Redeemable Non-Convertible Debentures (2010-11 Series 1) having a face value of ₹ 10 lakhs each redeemable at par on 29th October, 2013.
- (b) The external commercial borrowing is due for repayment on 4th June, 2013 and 4th December, 2013 in installments of ₹ 501.58 crores (USD 95 million) and ₹ 517.68 crores (USD 95 million) respectively.
- (c) During the previous year, 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 two installments of government grant aggregating ₹ 11.00 crores and earned an amount of ₹ 0.49 crores as interest on unutilised grant. The Company has spent an amount of ₹ 9.85 crores and the net balance of ₹ 1.64 crores is included in "other liabilities" above (previous year ₹ 8.50 crores included in "other payables" in note 7).

Note 12: Short-Term Provisions

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Provision for employee benefits		46.68	49.10
2. Others			
(a) Proposed dividend	254.76		254.76
(b) Tax on dividend	39.66		39.71
(c) Provision for tax (net of advances)	11.87		6.91
(d) Provision for contingencies (note 29(vi))	-		14.13
(e) Provision for site restoration expenditure (note 29(vi))	119.46		115.65
(f) Others (note 29(vi))	0.60		4.76
		426.35	435.92
		473.03	485.02

Notes forming part of the Consolidated Financial Statements (Contd.)

Note 13: Tangible Fixed Assets and Intangible Assets

(₹ in crores)

Fixed Assets (At Cost)	Gross Block					Depreciation/Amortisation						Impairment *	Net Block As at 31-Mar-13
	As at 1-Apr-12	Acquisitions during the year	Additions during the year	Deductions / Adjustments	Exchange Fluctuations	As at 31-Mar-13	As at 1-Apr-12	Acquisitions during the year	For the year	Deductions / Adjustments	Exchange Fluctuations	As at 31-Mar-13	
(i) Tangible Assets:													
1. Land:													
(a) Freehold	149.37	-	0.14	(5.41)	1.21	145.31	-	-	-	-	-	-	145.31
	126.63	1.09	8.84	(0.04)	12.85	149.37	-	-	-	-	-	-	149.37
(b) Leasehold	272.45	-	3.43	(28.50)	13.07	260.45	26.99	-	5.35	(1.38)	1.35	32.31	228.14
	212.19	-	41.17	(4.20)	23.29	272.45	18.97	-	6.25	(0.49)	2.26	26.99	243.18
2. Works:													
(a) Saltworks, reservoirs and pans	187.54	-	10.18	-	1.59	199.31	54.13	-	7.47	0.18	0.33	62.11	137.20
	167.05	-	3.81	(0.01)	16.69	187.54	49.03	-	3.57	(0.02)	1.55	54.13	133.41
(b) Plant and machinery	7,554.81	0.86	413.93	(8.07)	90.87	8,052.40	4,498.04	0.07	430.33	(52.95)	31.61	4,907.10	2,525.94
	6,664.88	1.87	647.92	(179.41)	419.55	7,554.81	3,970.17	1.65	415.94	(130.09)	240.37	4,498.04	2,825.07
(c) Traction lines, railway sidings and wagons	272.82	-	5.02	(1.64)	13.53	289.73	163.59	-	27.22	1.75	8.22	200.78	88.95
	243.64	-	1.20	(0.30)	28.28	272.82	123.95	-	24.88	(1.02)	15.78	163.59	109.23
(d) Buildings	1,002.90	-	28.09	(40.20)	15.53	1,006.32	357.68	-	33.67	(1.24)	4.48	394.59	611.73
	770.78	4.14	167.88	(0.92)	61.02	1,002.90	299.49	3.08	31.21	(1.14)	25.04	357.68	644.36
3. Other Buildings	234.85	-	23.15	21.01	2.27	281.28	73.53	-	4.73	-	1.42	79.68	201.60
	229.86	-	3.03	(2.48)	4.44	234.85	66.63	-	4.45	(0.38)	2.83	73.53	161.32
4. Water Works	7.47	-	-	(0.05)	-	7.42	6.79	-	0.07	(0.04)	-	6.82	0.60
	7.47	-	-	-	-	7.47	6.73	-	0.07	(0.01)	-	6.79	0.68
5. Furniture, Fittings and Office Equipment	183.31	0.01	27.20	(19.57)	3.98	194.93	118.51	-	13.52	(7.53)	3.20	127.70	62.31
	153.71	0.41	25.03	(9.05)	13.21	183.31	108.53	0.41	11.61	(11.66)	9.62	118.51	59.93
6. Vehicles	54.85	-	0.50	(5.92)	0.92	50.35	37.32	-	5.53	(7.54)	0.98	36.29	14.06
	52.31	0.24	2.87	(3.96)	3.39	54.85	31.85	0.22	5.65	(2.50)	2.10	37.32	17.53
7. Mines and Quarries	32.87	-	0.35	(0.08)	2.20	35.34	2.21	-	0.73	(0.08)	0.15	3.01	32.33
	28.57	-	0.27	(0.01)	4.04	32.87	1.41	-	0.59	(0.02)	0.23	2.21	30.66
Total Tangible Assets	9,953.24	0.87	511.99	(88.43)	145.17	10,522.84	5,338.79	0.07	528.62	(68.83)	51.74	5,850.39	4,048.17
	8,657.09	7.75	902.02	(200.38)	586.76	9,953.24	4,676.76	5.36	504.22	(147.33)	299.78	5,338.79	4,374.74
(ii) Intangible Assets:													
1. Goodwill	1.64	-	-	-	-	1.64	1.64	-	-	-	-	1.64	-
	1.64	-	-	-	-	1.64	1.64	-	-	-	-	1.64	-
2. Computer software	34.03	-	1.95	-	(0.19)	35.79	33.13	-	1.00	-	(0.54)	33.59	2.20
	34.86	-	0.29	(0.87)	(0.25)	34.03	32.38	-	1.80	(0.08)	(0.97)	33.13	0.90
3. Technical Knowhow	19.65	-	5.18	-	1.98	26.81	9.75	-	4.08	-	0.62	14.45	12.36
	27.04	-	-	(7.41)	0.02	19.65	11.25	-	0.01	(1.52)	0.01	9.75	9.90
4. Seed Development cost	12.47	-	7.27	-	0.01	19.75	3.62	-	0.18	-	0.01	3.81	15.94
	7.54	-	2.25	(0.40)	3.08	12.47	0.57	-	2.64	(0.40)	0.81	3.62	8.85
5. Patents (licence fees)	0.09	-	-	-	-	0.09	0.03	-	-	-	-	0.03	0.06
	0.07	-	-	-	0.02	0.09	0.02	-	0.01	-	-	0.03	0.06
Total Intangible Assets	67.88	-	14.40	-	1.80	84.08	48.17	-	5.26	-	0.09	53.52	30.56
	71.15	-	2.54	(8.68)	2.87	67.88	45.86	-	4.46	(2.00)	(0.15)	48.17	19.71
(iii) Capital Work-in-Progress													572.80
													524.23
(iv) Intangible Assets held under Development													18.80
													24.96
Total Fixed Assets													4,670.33
													4,943.64

Notes:

- Gross book value and accumulated depreciation above include ₹ 18.77 crores (previous year ₹ 10.96 crores) and ₹ 8.58 crores (previous year ₹ Nil) respectively for assets held for sale. The assets held for sale have been valued at lower of carrying value or net realisable value.
- Capital work-in-progress above includes gross value of ₹ Nil (previous year ₹ 48.62 crores) for assets held for sale and an impairment of ₹ Nil (previous year ₹ 34 crores) has been provided during the year.
- (*) primarily comprises of impairment of assets of European operations (note 28(a)).
- Other buildings includes cost of residential flats aggregating ₹ 1.82 crores (previous year ₹ 1.82 crores) for which legal formalities relating to transfer of title are pending.
- The figures in light print are for the previous year.

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
Note 14: Non-Current Investments

		As at 31-Mar-12
	₹ in crores	₹ in crores
Investments (At cost):		
Trade Investments in		
(a) Equity shares fully paid (quoted)	113.67	113.67
(b) Investment in associate (quoted)	196.24	186.12
(c) Equity shares fully paid (unquoted)	287.66	287.65
(d) Cumulative redeemable preference shares (unquoted)	-	20.00
(e) Debentures and bonds	2.89	1.04
Total	600.46	608.48
Less: Provision for diminution in value of investments	2.09	2.09
	<u>598.37</u>	<u>606.39</u>
	Book Value	Market Value
	₹ in crores	₹ in crores
Aggregate of quoted Investments (net of provision)	309.91	1,298.56
Aggregate of unquoted Investments (net of provision)	288.46	-

Note 15: Long-Term loans and advances

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Unsecured, Considered Good			
(a) Capital advances	13.17		7.77
(b) Security deposits (deposits with Government, public bodies and others)	27.46		26.23
(c) Advance payment of taxes (net of provision)	284.58		204.08
(d) Other loans and advances	146.43		154.86
		471.64	392.94
2. Doubtful			
(a) Advances recoverable in cash / kind	0.32		0.44
Less: Provision for advances recoverable in cash / kind	0.32		0.44
		-	-
		<u>471.64</u>	<u>392.94</u>

Note 16: Other Non-Current Assets

	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Long-term trade receivables	184.60	135.75
2. Others	24.82	35.56
	<u>209.42</u>	<u>171.31</u>

Notes forming part of the Consolidated Financial Statements (Contd.)

Note 17: Current Investments

	As at 31-Mar-12
₹ in crores	₹ in crores
1. Current investments (Unquoted)	
(a) Fully paid equity	0.25
(b) Units of mutual funds	1.04
	<u>1.29</u>

Note 18: Inventories

	As at 31-Mar-12
₹ in crores	₹ in crores
1. Raw materials	614.29
2. Work-in-process	71.85
3. Finished goods	481.45
4. Stock-in-trade (acquired for trading)	167.43
5. Stores and spare parts, packing materials	266.80
	<u>1,601.82</u>

Note 19: Trade Receivables

	As at 31-Mar-12
₹ in crores	₹ in crores
1. Over six months old from due date:	
(a) Secured, considered good	0.05
(b) Unsecured, considered good	699.37
(c) Unsecured, considered doubtful	32.60
	<u>732.02</u>
(d) Less: Provision for doubtful trade receivables	<u>(32.60)</u>
	699.42
2. Others:	
(a) Secured, considered good	7.72
(b) Unsecured, considered good	2,730.02
(c) Unsecured, considered doubtful	1.09
	<u>2,738.83</u>
(d) Less: Provision for doubtful trade receivables	<u>(1.09)</u>
	2,737.74
Total	<u>3,437.16</u>

Note:

- (a) Trade receivables include ₹ 1,752.63 crores (previous year ₹ 1,166.73 crores) on account of subsidy receivable from the Government, of this an amount of ₹ 513.25 crores (previous year ₹ 50.39 crores) is due for more than six months.

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
Note 20: Cash and Cash Equivalents

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Balances with banks in			
(a) Current accounts	770.60		689.16
(b) Deposit accounts	1,068.73		987.69
		1,839.33	1,676.85
2. Cheques, drafts on hand		1.59	0.14
3. Cash on hand		0.43	1.04
		1,841.35	1,678.03

Note:

(a) Earmarked balance with banks	13.39	9.95
--	-------	------

Note 21: Short-Term Loans and Advances

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Unsecured, considered good			
(a) Balances with Government, public bodies and others		103.88	129.95
(b) Advance payment of taxes (net of provision)		30.65	-
(c) Receivables from employees		1.72	1.91
(d) Other advances			
(i) Considered good	383.16		327.18
(ii) Considered doubtful	45.23		45.23
	428.39		372.41
(iii) Less: Provision for doubtful advances	45.23		45.23
		383.16	327.18
		519.41	459.04

Note 22: Other Current Assets

	₹ in crores	₹ in crores	As at 31-Mar-12 ₹ in crores
1. Interest accrued on investments	2.84		2.54
2. Claims receivable	12.50		29.11
3. Other current assets	83.45		76.57
	98.79		108.22

Notes forming part of the Consolidated Financial Statements (Contd.)

Note 23: Revenue From Operations

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Sales:			
(a) Sales (note 'a' below)		15,041.94	13,898.17
2. Operating income:			
(a) Town income	2.32		2.41
(b) Liabilities no longer required - written back	38.36		20.63
(c) Insurance claims	5.54		12.62
(d) Miscellaneous income	93.98		120.39
		140.20	156.05
		<u>15,182.14</u>	<u>14,054.22</u>

Note:

- (a) Sales include subsidy income of ₹ 2,410.95 crores (previous year ₹ 2,841.04 crores).

Note 24: Other Income

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Dividend Income:			
(a) Current investments	48.48		50.35
(b) Long-term trade investments	30.36		29.48
		78.84	79.83
2. Interest Income on:			
(a) Current investments	5.84		22.66
(b) Inter-corporate loans and bank deposits	7.68		0.09
(c) Other advances	0.52		-
(d) Refund of taxes	3.10		13.82
		17.14	36.57
3. Net Gain on Sale of Investments:			
(a) Current investments	-		0.05
(b) Long-term investments	0.02		51.36
		0.02	51.41
4. Foreign currency fluctuation realised (note 'a' below)		245.14	28.24
5. Profit on sale of fixed assets (net)		76.64	-
		<u>417.78</u>	<u>196.05</u>

Note:

- (a) Foreign currency fluctuation realised comprise consequent to redemption of the Company's Investment of 17,28,489 and 2,20,161 Non Cumulative Redeemable Preference Shares of US\$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 crores (previous year 6,46,845 Non Cumulative Redeemable Preference Shares of US\$100 each in Homefield International Private Limited, amounting to ₹ 28.24 crores), arising on foreign currency fluctuation.

Note 25: Employee Benefits Expense

	₹ in crores	Previous year ₹ in crores
1. Salaries, wages and bonus	847.18	754.51
2. Contribution to provident and other funds	114.00	100.00
3. Contribution to group insurance scheme	0.04	0.03
4. Workmen and staff welfare expenditure	164.31	118.69
	<u>1,125.53</u>	<u>973.23</u>

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
Note 26: Finance Costs

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Interest expenses			
(a) Debentures and fixed loans	381.39		327.47
(b) Other loans	39.73		36.54
(c) Others	12.84		10.02
		433.96	374.03
2. Discounting and other charges		29.95	52.97
		463.91	427.00

Note 27: Other Expenses

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Stores and spare parts consumed	263.02		194.37
2. Packing materials consumed	301.50		307.21
3. Power and fuel	1,681.15		1,438.81
4. Repairs - Buildings	7.65		11.65
- Machinery	358.29		293.89
- Others	4.53		6.05
5. Rent	124.01		114.13
6. Royalty, rates and taxes	206.33		151.27
7. Excise duty adjustment for stocks (net)	1.67		6.35
8. Commission, discount and distributors' service charges	232.44		174.77
9. Sales promotion expenses	195.83		141.17
10. Insurance charges	38.16		34.10
11. Freight and forwarding charges	1,637.65		1,394.45
12. Provision for Doubtful debts and advances (net)	3.28		4.17
13. Loss on assets sold or discarded	-		25.94
14. Foreign exchange (gain) / loss (net)	186.45		74.42
15. Directors' fees / commission	10.03		9.06
16. Other provisions (note 29(vi))	5.75		19.87
17. Others	514.07		487.16
		5,771.81	4,888.84
		5,771.81	4,888.84

Note 28: Exceptional Items

	₹ in crores	₹ in crores	Previous year ₹ in crores
1. Compensation on voluntary retirement	0.09		19.57
2. Impairment of assets (net of reversal) (note 'a' below)	471.55		48.45
3. Exchange loss (net) on foreign currency long-term borrowings including revaluation thereof	167.25		84.34
4. Restructuring costs for overseas operations	30.98		-
	669.87		152.36

Note:

- (a) Impairment of assets (net of reversal) represents the non-cash write down of goodwill ₹ 97.14 crores and other assets of ₹ 374.41 crores, primarily relating to the European operations.

Notes forming part of the Consolidated Financial Statements (Contd.)

Note 29:

(i) Segment Information

(a) Information about Primary Business Segments

(₹ in crores)

	Inorganic Chemicals		Fertilisers		Other Agri Inputs		Others		Elimination		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue (net of excise):												
External	7,414.91	6,518.24	5,497.71	5,547.56	1,715.95	1,517.29	90.06	75.89	-	-	14,718.63	13,658.98
Inter-segment	133.87	103.43	-	-	-	-	-	-	(133.87)	(103.43)	-	-
Total revenue	7,548.78	6,621.67	5,497.71	5,547.56	1,715.95	1,517.29	90.06	75.89	(133.87)	(103.43)	14,718.63	13,658.98
Result:												
Segment result	790.28	1,242.79	361.81	511.35	200.15	173.29	(47.92)	(103.41)	-	-	1,304.32	1,824.02
Unallocated expenditure net of unallocated income											(72.62)	13.59
Finance costs											463.91	427.00
Profit before tax											913.03	1,383.43
Tax expense											(302.52)	(343.92)
Profit after tax before minority interest and share of loss in associate											610.51	1,039.51

Other Information:

(₹ in crores)

	Inorganic Chemicals		Fertilisers		Other Agri Inputs		Others		Unallocated		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment assets	12,483.60	12,265.17	3,646.24	3,249.46	1,494.62	1,372.67	180.69	149.44	2,430.47	1,997.69	20,235.62	19,034.43
Segment liabilities	2,922.01	2,678.36	879.55	1,525.74	403.67	369.99	23.62	22.05	9,057.07	7,653.93	13,285.92	12,250.07
Capital expenditure	406.22	516.66	105.95	179.57	40.64	229.11	11.70	27.71	16.08	16.04	580.59	969.09
Depreciation and amortisation	379.90	335.09	111.97	133.71	31.53	28.66	5.56	6.28	4.92	4.94	533.88	508.68
Impairment of assets (net of reversal)	483.98	-	0.89	1.13	-	-	(13.32)	47.32	-	-	471.55	48.45
Restructuring cost for overseas operations	30.98	-	-	-	-	-	-	-	-	-	30.98	-
Exchange loss (net) on foreign currency borrowings including revaluation thereof	-	-	-	-	-	-	-	-	167.25	84.34	167.25	84.34
Other non-cash expenses	0.76	0.22	2.52	3.41	-	-	-	0.01	-	0.53	3.28	4.17

(b) Information about Secondary Geographical Segments

(₹ in crores)

	Asia		Europe		Africa		America		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
External revenue	9,791.47	9,726.01	1,628.34	1,456.31	613.74	191.61	2,630.43	2,179.72	54.65	105.33	14,718.63	13,658.98
Segment assets	9,013.65	8,138.44	3,112.51	2,774.22	878.33	1,297.99	7,194.61	6,818.39	36.52	5.39	20,235.62	19,034.43
Capital expenditure	272.66	704.12	68.76	96.54	41.70	50.89	197.47	117.54	-	-	580.59	969.09

(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.

(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.

Seventy Fourth Annual Report 2012-13

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
(ii) Earnings per Share

		2012-13	2011-12
(a) Profit after tax	₹ in crores	400.40	837.59
(b) The weighted average number of equity shares of ₹ 10 each			
Total number of shares	Nos.	25,47,56,278	25,47,56,278
(c) Earning Per Share (face value per share ₹ 10)	₹	15.72	32.88

(iii) Related Party Disclosure
(a) Related Parties and their relationship (As identified by the Management)
Joint Ventures
Direct

 Indo Maroc Phosphore S. A., Morocco
 Khet-Se Agriproduce India Private Limited #

Indirect

 Alcad, United States of America
 Kemex B.V., Netherlands
 Joil (S) Pte. Limited, Singapore
 The Block Salt Company Limited, United Kingdom
 Natronx Technologies LLC, United States of America

Key Management Personnel

 Mr. R. Mukundan, Managing Director
 Mr. P. K. Ghose, Executive Director & CFO

Promoter Group

Tata Sons Limited

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, 2013 and balances outstanding as at 31st March, 2013

(₹ in crores)

	Indo Maroc Phosphore S.A.	Kemex B.V.	Alcad	Khet-Se Agriproduce India Private Limited	Joil (S) Pte. Limited	The Block Salt Company Limited	Natronx Technologies LLC	Key Management Personnel	Tata Sons Limited	Total
Purchase of goods (includes stock in transit) - net	487.37	-	73.57	-	-	4.10	0.24	-	-	565.28
	541.02	-	-	-	-	-	0.29	-	-	541.31
Sale of goods	-	-	-	-	-	2.93	-	-	-	2.93
Interest paid	-	-	-	-	-	-	-	-	-	-
	2.15	-	-	-	-	-	-	-	-	2.15
Sale of investments / redemption of preference shares	-	-	-	-	-	-	-	-	20.00	20.00
	-	-	-	-	-	-	-	-	99.48	99.48
Other services	-	-	-	-	-	-	-	-	30.99	30.99
	-	-	-	-	-	-	-	-	27.81	27.81
Amount payable (in respect of goods purchased and other services)	218.51	-	6.27	-	-	0.77	0.06	-	31.17	256.78
	187.16	-	-	-	-	-	0.40	-	28.32	215.88
Amount receivable (in respect of loans and interest there on)	-	0.28	-	-	-	-	-	0.01	-	0.29
	-	0.28	-	-	-	-	-	0.01	-	0.29
Amount payable (in respect of loans)	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.05	-	-	-	-	-	0.05
Maximum amount of loans and advances outstanding during the year	-	0.28	-	-	-	-	-	-	-	0.28
	-	1.54	-	-	-	-	-	-	-	1.54
Provision for management services	0.10	-	-	-	-	0.08	0.73	-	-	0.91
	1.15	-	-	-	-	0.09	0.10	-	-	1.34
Managerial remuneration #	-	-	-	-	-	-	-	5.93	-	5.93
	-	-	-	-	-	-	-	6.62	-	6.62
Amounts received / receivable on account of any Management contracts including for deputation of employees	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.13	-	-	-	-	-	0.13

Notes:

- # Managerial remuneration includes salaries and commission to the Managing Director and Whole-time Directors.
- The figures in light print are for previous year.

Notes forming part of the Consolidated Financial Statements (Contd.)

(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 ₹ **16.68 crores** (previous year ₹ 16.67 crores) has been charged to the Consolidated Statement of Profit and Loss.

- (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 as at 31st March, 2013. 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 profit before tax and net profit after tax and minority interest would have been lower by amounts as per table below.

(₹ in crores)

Sr. No.	Impact on:	Year Ended 31st March, 2013	Year Ended 31st March, 2012
1.	Consolidated net profit before tax	155.34	180.18
2.	Consolidated net profit after tax and minority interest	116.92	157.16

The following tables set out the funded status and amounts recognised in the Group's financial statements as at 31st March, 2013 for the Defined Benefits Plans.

(₹ in crores)

	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
1. Changes in the defined benefit obligation:	As at 31st March, 2013				As at 31st March, 2012			
Projected defined benefit obligation, beginning of the year	79.21	46.17	2,935.95	173.94	73.55	48.82	2,344.88	146.10
Current service cost.....	5.29	2.00	33.05	1.88	4.66	0.82	25.66	1.52
Interest cost	6.72	3.89	152.64	8.96	6.03	3.98	138.72	8.37
Net actuarial (gain) / loss	3.38	14.54	327.80	10.65	4.17	(4.38)	194.13	2.64
Benefits paid.....	(8.06)	(3.93)	(124.53)	(11.51)	(9.20)	(3.07)	(106.27)	(6.13)
Transfer in / transfer out.....	(0.19)	-	-	-	-	-	-	-
Past service cost.....	-	-	-	-	-	-	2.33	0.45
Exchange variation.....	-	-	72.74	11.61	-	-	336.50	20.99
Retiree drug subsidy reimbursement	-	-	-	0.88	-	-	-	-
Recognised / derecognised on acquisition / disposal	-	(0.23)	-	-	-	-	-	-
Projected defined benefit obligation, end of the year	86.35	62.44	3,397.65	196.41	79.21	46.17	2,935.95	173.94

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)

₹ in crores

	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
2. Changes in the fair value of plan assets:	As at 31st March, 2013				As at 31st March, 2012			
Fair value of plan assets, beginning of the year	73.48	-	2,136.29	-	72.50	-	1,737.57	-
Expected return on plan assets ...	6.22	-	133.54	-	5.89	-	130.13	-
Employer's contributions	11.91	3.93	129.65	11.51	3.62	3.07	119.97	6.13
Net actuarial gain / (loss)	6.10	-	160.68	-	0.67	-	8.04	-
Benefits paid	(8.06)	(3.93)	(124.53)	(11.51)	(9.20)	(3.07)	(106.27)	(6.13)
Transfer in / transfer out	(0.19)	-	-	-	-	-	-	-
Exchange variation	-	-	66.50	-	-	-	246.85	-
Fair value of plan assets, end of the year	89.46	-	2,502.13	-	73.48	-	2,136.29	-
Effect of the limit in para 59(b)...	(0.06)	-	-	-	-	-	-	-
Liability (net)	(3.05)	62.44	895.52	196.41	5.73	46.17	799.66	173.94
Actual return on plan assets	12.32	-	294.22	-	6.56	-	138.17	-

(₹ in crores)

3. Net employee benefit expense (recognised in Employee Cost) for the year	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
	31st March, 2013				31st March, 2012			
Current service cost	5.29	2.00	33.05	1.88	4.66	0.82	25.66	1.52
Interest defined benefit obligation	6.72	3.89	152.64	8.96	6.03	3.98	138.72	8.37
Expected return on plan assets	(6.22)	-	(133.54)	-	(5.89)	-	(130.13)	-
Net actuarial (gain) / loss recognised in the year	(2.72)	14.54	28.52	(0.29)	3.50	(4.38)	14.89	-
Effect of the limit in para 59(b)...	0.06	-	-	-	-	-	-	-
Net benefit expense	3.13	20.43	80.67	10.55	8.30	0.42	49.14	9.89
Net actuarial (gain) / loss recognised in reserves	-	-	144.40	10.94	-	-	171.20	2.64
Net actuarial (gain) not recognised @	-	-	(5.80)	-	-	-	-	-

@ The Group has not recognised the actuarial surplus in case of one of its overseas subsidiary, amounting to ₹ **5.80 crores** (previous year ₹ Nil crores) as it does not expect to benefit from reduced contributions or refunds from the scheme in the future.

4. Categories of plan assets as a percentage of the fair value of total plan assets:	Domestic %	Overseas %	Domestic %	Overseas %
	31st March, 2013		31st March, 2012	
Government securities	39	4	51	4
Corporate bonds	31	41	31	43
Equity shares of listed companies	4	43	5	41
Others	26	12	13	12
Total	100	100	100	100

Notes forming part of the Consolidated Financial Statements (Contd.)

5. Assumptions used in accounting for gratuity and post retirement medical benefit obligations:	Domestic		US Plans		UK Plans
	Funded	Unfunded	Funded	Unfunded	Funded
Discount rate	7.90% to 8.60% p.a.	8.10%	4.48%	4.48%	4.20%
	8.25% to 8.60%	8.55%	4.99%	4.99%	5.00%
Expected rate of return on plan assets	8.50% to 9.00 % p.a.	NA	7.00%	NA	4.20%
	8.60% to 9.00 %	NA	7.25%	NA	5.50%
Increase in Compensation cost	7.5% for first year, 10% for second year & 7.5% thereafter	7.5% for first year, 10% for second year & 7.5% thereafter	Varies by plan	NA	NA
	7.5% for first year, 10% for second year & 7.5% thereafter	7.5% for first year, 10% for second year & 7.5% thereafter	Varies by plan	NA	NA
Healthcare cost increase rate	NA	6.00%	NA	8.50%	NA
	NA	6.00%	NA	8.50%	NA
Pension increase rate	NA	5.00%	NA	NA	3.20%
	NA	5.00%	NA	NA	2.40%

- (a) 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.
- (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 inflation, seniority, promotion and other relevant factors.
- (d) The figures in light print are for the previous year.
- (e) The details of the Company's post-retirement and other benefit plans for its employees given above, are certified by the actuaries and relied upon by the Auditors.
- (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 crores)

Particulars	Khet-Se Agriproduce India Private Limited #		Indo Maroc Phosphore S.A.		Kemex B.V.		Alcad		Natronx		Joil (S) Pte.Limited		The Block Salt Company Limited	
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%		33.30%		33.78%		50.00%	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Liabilities	-	2.35	106.50	83.90	0.42	0.42	6.27	6.91	8.59	9.53	1.18	1.73	1.53	1.01
Assets	-	3.38	299.18	264.11	0.78	0.77	8.71	9.58	103.34	36.22	45.19	40.36	2.81	2.62
Income	0.01	1.28	495.73	581.97	-	-	124.28	100.32	15.41	4.48	1.70	1.68	6.20	5.20
Expenditure	1.23	3.16	489.10	528.26	-	0.18	82.84	65.72	25.31	9.05	12.16	14.65	5.82	4.98
Profit / (loss) after tax for the year	(1.22)	(1.88)	6.63	53.71	-	(0.18)	41.44	34.60	(9.90)	(4.57)	(10.46)	(12.97)	0.38	0.22
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital commitments	-	-	-	-	-	-	-	-	-	-	1.49	2.92	-	-

Khet-Se Agriproduce India Private Limited ceased to be a joint venture with effect from 26th March, 2013.

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)

- (vi) Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2013:

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 crores)

Particulars	Warranty		Site Restoration expenses		Provision for contingencies		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Opening balance	0.15	-	139.93	122.52	14.13	-	4.61	2.18	158.82	124.70
Add: Provision during the year	0.59	0.34	30.38	7.31	-	14.13	-	2.43	30.97	24.21
Less: Payments / reversal during the year	(0.64)	(0.19)	(6.34)	(4.15)	(14.13)	-	(4.11)	-	(25.22)	(4.34)
Add: Exchange difference	-	-	6.57	14.25	-	-	-	-	6.57	14.25
Closing balance	0.10	0.15	170.54	139.93	-	14.13	0.50	4.61	171.14	158.82

- (vii) Derivative Instruments:

- (a) As at 31st March, 2013, the Group has the following derivative instruments outstanding:

(in Million)

Particulars		Hedged Exposure	Currency	As at 2012-13	As at 2011-12
Foreign currency exchange contracts	USD / INR	Foreign currency loans	USD	220.34	48.73
	USD / INR	Foreign currency acceptances	USD	125.34	104.23
	USD / JPY	Foreign currency acceptances	USD	294.41	303.16
	USD / INR	Highly probable forecast transactions	USD	25.38	0.08
	EUR / INR	Highly probable forecast transactions	EUR	-	0.16
	USD / INR	External commercial borrowing	USD	107.40	46.00
	USD / INR	Foreign currency receivable	USD	3.15	6.24
	AUD / USD	Foreign currency receivable	AUD	0.76	0.33
Currency option contracts	USD / INR	Foreign currency acceptances	USD	2.15	91.07
	USD / INR	External commercial borrowing	USD	162.47	93.00
Commodity forward contracts	GBP	Fluctuation in natural gas	GBP	25.96	3.09
Swaps:					
Interest rate swap	USD	Floating interest rate liability	USD	1.78	1,005.90
	GBP	Floating interest rate liability	GBP	110.30	-
Full currency swap (exchange rate / interest rate)	USD / INR	External commercial borrowing	USD	45.00	121.00
Cross currency swap	USD / JPY	External commercial borrowing	USD	285.00	475.00
Coupon only swap		External commercial borrowing	USD	15.00	15.00

Notes forming part of the Consolidated Financial Statements (Contd.)

- (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 11.63 million (₹ 63.13 crores), EUR 0.05 million (₹ 0.32 crore) and AUD 0.54 million (₹ 3.02 crores)** (previous year USD 4.01 million (₹ 20.4 crores), EUR 0.01 million (₹ 0.07 crore) and AUD 0.55 million (₹ 2.91 crores)).
 - (ii) Net accounts receivable / (payable) **USD 26.32 million (₹ 142.89 crores), EUR NIL and JPY (31.74) million (₹ (1.83) crores)** (previous year USD (23.29) million (₹ (118.49) crores), EUR (0.07) million (₹ (0.48) crores) and JPY (9.34) million (₹ (0.58) crores).
 - (iii) Customer advances **USD 0.32 million (₹ 1.75 crores)** (previous year USD Nil)
 - (iv) Liability arising out of cross currency swap **USD 30.14 million (₹ 163.59 crores)** (previous year USD 275 million (₹ 1,399.06 crores).

(viii) Contingent Liabilities and Commitments (to the extent not provided for):

1. Contingent Liabilities:

(a) Guarantees:

Bank Guarantees issued by Banks on behalf of the Group ₹ **269.27 crores** (previous year ₹ 165.24 crores). 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 crores)

Sr. No.	Particulars	As at 2012-13	As at 2011-12
(i)	Excise and Customs	23.24	9.31
(ii)	Sales Tax / VAT	31.41	110.69
(iii)	Demand for utility charges	56.69	56.86
(iv)	Labour and other claims against the Group not acknowledged as debt	4.83	8.17
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	258.51	253.27
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	37.33	37.33
(vii)	Others	5.82	0.42

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

(d) Bills discounted by subsidiaries ₹ **15.47 crores** (previous year ₹ 1.04 crores)

2. Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **94.11 crores** (previous year ₹ 86.16 crores)
- (b) Capital commitment towards investment in joint ventures ₹ **31.15 crores** (previous year ₹ 41.84 crores).
- (c) Estimated amount of contract with minimum commitment for plant activity ₹ **22.50 crores** (previous year ₹ 3.83 crores).
- (d) For commitments related to derivatives and leases refer note 29 (vii) and 29 (ix) respectively.

Tata Chemicals Limited
Notes forming part of the Consolidated Financial Statements (Contd.)
(ix) Operating and Finance Leases:

As a lessee

(₹ in crores)

	Particulars	As at 2012-13	As at 2011-12
(a)	Total of minimum lease payments.....	390.36	301.70
	The total of minimum lease payments for a period:		
	Not later than one year	83.73	69.89
	Later than one year and not later than five years	257.64	213.11
	Later than five years	48.99	18.70
(b)	Lease payments recognised in the Statement of Profit and Loss for the year	85.32	75.65

(c) The lease deposit of ₹ **25.00 crores** (previous year ₹ 25.00 crores) for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of ₹ **1.57 crores** (previous year ₹ 2.20 crores) 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, 2013, Plant and Machinery includes assets held under finance lease with a net book value of ₹ **10.82 crores** (previous year ₹ 32.29 crores) and gross book value of ₹ **15.76 crores** (previous year ₹ 51.50 crores). The future minimum lease payments under finance leases are as follows:-

- (i) Not later than one year - ₹ **3.65 crores** (previous year ₹ 8.32 crores)
- (ii) Later than one year but not later than five years - ₹ **1.74 crores** (previous year ₹ 4.55 crores)
- (iii) Later than five years - ₹ **Nil** (previous year ₹ Nil)

(x) Disclosure under Borrowing Cost Capitalised:

(₹ in crores)

Particulars	As at 2012-13	As at 2011-12
Borrowing costs Capitalised during the year - as fixed assets / intangible assets / capital work-in-progress.....	0.99	1.41

(xi) Acquisitions made during the year:

During the year, Rallis, a subsidiary of the Company has acquired / subscribed to shares comprising 22.81% of the equity shares of Zero Waste Agro Organics Private Limited (ZWAOP). Rallis has certain rights under the Shareholder Agreement which requires ZWAOP to be treated as a subsidiary of the Company and hence it is consolidated.

Notes forming part of the Consolidated Financial Statements (Contd.)

The financial position and result of the above acquired entity which is included (before elimination) in the Consolidated Financial Statement is given below:

₹ in crores	
Particulars	As at 31st March, 2013
LIABILITIES	
Trade payables	0.80
Other current liabilities	1.20
ASSETS	
Tangible assets	0.80
Deferred tax assets (net)	0.52
Investments other than investment in subsidiary	-
Long-term loans and advances	0.88
Inventories	3.31
Cash and cash equivalents	0.16
Short-term loans and advances	0.27
INCOME	
Revenue from operations	2.50
Other income	*
EXPENSES	
Manufacturing and other expenses	3.92
Finance costs	*
Depreciation and amortisation expenses	0.10
Provision for tax	(0.48)

(xii) **Details of unutilised amounts out of issue of securities for specific purpose:**

During 2010-11, the Company issued Equity shares to Tata Sons Limited amounting to ₹ 363.40 crores to fund Company's various growth projects. As at 31st March, 2013, ₹ **363.40 crores** (31st March, 2012 ₹ 363.40 crores) 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.

(xiii) During the year ended 31st March, 2013, the Company has recognised subsidy income of ₹ **44.91 crores** on Opening stock as at 1st April, 2011 of Raw Materials for Phosphatic and Potassic Fertilisers based on communication issued by Department of Fertilizers vide letter no. 23011/1/2010 – MPR (Pt) dated 22.08.12 with respect to earlier Office Memorandum dated 11th July, 2011 on mopping up of Subsidy increase under NBS Policy.

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

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

Signature to Notes '1' to '29'

For and on behalf of the Board

Cyrus P. Mistry
R. Gopalakrishnan
Nusli N. Wadia
Nasser Munjee
Dr. Yoginder K. Alagh
Eknath A. Kshirsagar
Dr. Y. S. P. Thorat
Dr. Vijay Kelkar
R. Mukundan
P. K. Ghose

Chairman
Vice-Chairman

Directors

Managing Director
Executive Director & CFO

Mumbai, 27th May, 2013

Rajiv Chandan
General Counsel & Company Secretary

Tata Chemicals Limited
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 Block	Depreciation	Net Block	Gross revenue	Expenses	Depreciation	Profit before taxes	Taxes	Distributable profit for the year			
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹	₹	₹
1944-45	152	8	69	229	186	7	179	16	29	—	(13)	—	—	—	—	8.11
1949-50	152	10	126	288	240	17	223	116	107	9	—	—	—	0.07	—	7.83
1954-55	192	24	86	302	315	105	210	223	191	18	14	—	14(a)	1.03	—	10.80
1959-60	312	64	325	701	708	207	501	351	303	21	27	1	12	0.90	0.60	11.68
1964-65	362	220	281	863	1086	443	643	876	649	72	155	63	80	2.91	1.60	15.52
1974-75	994	906	1189	3089	3765	1375	2390	3464	2652	201	611	250	309	3.82	1.60	18.06
1979-80	994	2036	2848	5878	7480	3048	4432	5860	4421	513	926	364	434	5.97	2.00	31.80
1980-81	994	2681	3522	7197	8877	3544	5333	7888	6010	649	1229	370	619	9.16	2.25	38.70
1981-82	994	3267	4444	8705	10459	4198	6261	8350	6514	670	1166	365	601	8.53	2.25	44.99
1982-83	1105	3982	4410	9497	11683	4758	6925	7694	6143	610	941	118	691	8.03	1.90	48.10
(9 Mths)																
1983-84	1405	4906	6727	13038	14254	6254	8000	12610	9413	1516	1681	760	660	7.84	2.50	46.47
1984-85	1594	6705	11987	20286	17032	7317	9715	13570	10429	968	2173	450	1204	12.34	2.50	53.70
1985-86	2779	8636	12779	24194	19559	8285	11274	16746	12898	1102	2746	578	1644	7.96	2.50	41.76
1986-87	2719(c)	10212	21929	34860	22257	9170	13087	19354	14878	1341	3135	875	1803	8.30	2.50	47.55
1987-88	3717	15036	23516	42269	25991	10631	15360	23040	17875	1645	3520	800	2718	7.51	3.00	51.80
1988-89	4492	21093	25850	51435	28559	12125	16434	29172	22392	1751	5029	1450	3229	7.97	3.10	56.96
1989-90	4917	25926	34129	64972	35310	14017	21293	30902	23172	2056	5674	1600	3612	8.29	3.00	62.73
1990-91	7375	26070	58398	91843	49989	16047	33942	35202	27354	2403	5445	1000	3945	6.03	2.50	45.35
1991-92	7375	29831	62262	99468	69797	18618	51179	41204	29580	2650	8974	3000	3974	8.10	3.00	50.45
1992-93	9262	41931	95966	147159	119358	21050	98308	48743	34754	2623	11366	3871	6495	8.91*	3.50	54.84
1993-94	11268	71225	125245	207738	194562	22632	171930	64698	40424	2266	22008	500	16508	20.21*	6.00	73.03
1994-95	11288	92630	152664	256582	209747	26717	183030	92443	59171	4601	28671	6	23165	25.38	6.50	92.00
1995-96	18069	113349	154892	286310	224475	36872	187603	155565	103420	10489	41656	2200	22231	21.83	6.50	72.72
1996-97	18070	125449	161606	305125	241799	47837	193962	162813	122372	11409	29032	3800	20487	13.96	6.50	79.42
1997-98	18070	141396	152755	312221	260896	59053	201843	166151	121432	11513	33205	4350	28863	15.97	6.50	88.28
1998-99	18070	149537	157023	324630	273995	70516	203479	150030	117432	11615	20983	2816	18167	10.06	5.00	92.79
1999-00	18070	151240	137023	306313	284488	82244	202244	165882	139190	12347	14345	2616	11729	6.50	5.00	93.73
2000-01	18070	176474	114627	309171	281238	92802	188436	173411	141518	13284	18609	2114	16495	9.13	5.00	105.36
2001-02	18070	137066	106071	307638	285989	104522	181467	151605	118278	13321	20006	7324	12682	7.02	5.00	84.35
2002-03	18070	145516	81626	289288	283490	115049	168441	170483	130588	13693	26202	6544	19658	10.88	5.50	89.81

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

@ From YE 31st March, 2011 onwards Gross Block includes Capital Work-in-Progress + Capital Advances
@ From YE 31st March, 2011 onwards Borrowings include Long-term borrowings + Short Term borrowings + Current maturity of Debt
From YE 31st March, 2011 onwards Gross Block includes Capital Work-in-Progress + Capital Advances

FINANCIAL STATISTICS - STANDALONE

139

Tata Chemicals Limited
FINANCIAL STATISTICS - CONSOLIDATED

	CAPITAL ACCOUNTS									REVENUE ACCOUNTS									Earnings per Ordinary Share (Basic)	Net Worth per Ordinary Share
Year	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 lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹	₹	
2005-06	21516	200419	-	182769	439386	540514	262573	277941	70749	425315	346846	18404	60065	17231	-	-	42834	19.91	103.11	
2006-07	21516	235666	-	186420	474837	601187	295582	305605	76324	606283	504082	27388	74813	24009	-	-	50804	23.62	119.52	
2007-08	23406	348439	4234	480669	890269	659278	322157	337121	464924	677783	528813	31383	117587	21147	-	-	96440	43.51	158.96	
2008-09	23523	453455	15219	628381	1132638	750208	373512	376696	562128	1300712	1166716	42264	91732	15751	11171	-	64810	27.59	202.81	
2009-10	24332	447310	35006	499372	1025491	799062	415966	383096	532470	983144	845176	44678	93290	20932	13114	1347	60591	25.61	193.89	
2010-11	25482	519687	40645	569972	1177615	943730	494683	449047	563242	1136412	979211	45105	112096	27492	19257	-	65347	26.10	214.00	
2011-12	25482	608145	44809	706073	1394689	1057808	562667	495141	635874	1425027	1232095	50868	138343	34392	19946	(246)	83759	32.88	248.72	
2012-13	25482	615874	53614	838392	1548707	1121169	652819	468350	662702	1559992	1415301	53388	91303	30252	20703	(308)	40040	15.72	251.75	

* From YE March 31, 2011 onwards Borrowings include Long-term borrowings + Short Term borrowings + Current maturities of Long-Term Debts and Finance Lease Obligations

From YE March 31, 2011 onwards Gross Block and Net Block includes Capital Work-in-Progress + Intangibles assets held under development + Capital Advances

Notes

[illegible]

Notes

[illegible]



TATA SWACH AT THE MAHA KUMBH

Tata Swach helped to provide safe drinking water to millions of visitors at the planet's largest gathering.

The Maha Kumbh Mela, meaning 'great meeting' in Hindi, is said to be the largest gathering of humanity on Earth. An estimated 100 million visitors bathed in the holy waters of the Ganges during January and February of this year.

Monks, pilgrims, camels and elephants: it's a colourful concoction. This year's event was in Allahabad, north west India. The mud flats were transformed into a mega-city spanning 20 sq km, for a month. Embedded in ancient Hindu mythology, the Mela takes place once every 12 years.

Pilgrims spend long periods at the Mela; taking ritual baths at the confluence of three sacred rivers - the Ganges, Yamuna and the mythical Saraswati.

With more than 60 per cent of visitors from rural India, the team at Tata Swach saw this as a great social marketing opportunity. Seeing the event as more than just a branding exercise, Tata Swach partnered with the Uttar Pradesh Water Board in an innovative Public Private Partnership to provide safe, clean drinking water.

Through a network of 28 water kiosks, more than 300,000 litres of purified drinking water were provided free over the event's 55 days. Each stall was manned with trained personnel and 10 of the award-winning

water purifiers. Huge 25 litre vats were permanently kept topped-up to meet the demand from 7 am to 10 pm.

Each visitor was also given an information leaflet stressing the importance of purifying drinking water and easy tips to ensure they could have safe drinking water at home. The effort was well appreciated by state authorities, trade partners and NGOs.



For more information visit
www.tataswach.com
Toll Free Helpline: 1800-2-585858



HUMAN TOUCH
OF CHEMISTRY
Facebook page has more than
1,14,000 fans!

www.facebook.com/humantouhofchemistry



TATA CHEMICALS LIMITED


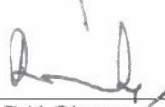
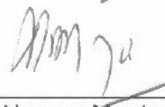

Registered Office

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

Tel: +91 22 6665 8282 Fax: +91 22 6665 8143/44



FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Tata Chemicals Limited – Standalone Financial Statement
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable in view of comments in (3) above.
5.	To be signed by: <ul style="list-style-type: none"> Managing Director Executive Director and Chief Financial Officer Chairman of the Audit Committee Auditor of the Company 	<div style="text-align: center;">  <hr/> Mr. R. Mukundan </div> <div style="text-align: center;">  <hr/> Mr. P.K. Ghose </div> <div style="text-align: center;">  <hr/> Mr. Nasser Munjee </div> <p>Refer our audit report dated 27th May, 2013 On the stand alone financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 117366W)</p> <div style="text-align: center;">  <hr/> B. P. Shroff (Partner) (Membership No. 34382) Mumbai <u>30 May</u>, 2013 </div>

TATA CHEMICALS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001
Tel +91 22 6665 8282 Fax +91 22 6665 8143 6665 8144 www.tatachemicals.com

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L24239MH1939PLC002893
2. **Name of the Company** : Tata Chemicals Limited
3. **Registered address**: Bombay House, 24 Homi Mody Street, Fort, Mumbai- 400 001.
4. **Website**: www.tatachemicals.com
5. **Email id**: corporate_communications@tatachemicals.com ; sustainability@tatachemicals.com
6. **Financial Year reported**: April1, 2012 – March 31, 2013
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**:

Group	Description
107	Processing of salt into food-grade salt
201	Manufacture of Chemicals and Fertilisers
239	Manufacture of clinkers and cement
089	Salt production by evaporation of sea water
081	Quarrying / mining of Limestone
462	Wholesale of Pulses
477	Retail sale of seeds, fertilisers, pesticides, machinery equipments and hand tools
360	Water Purifier

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. **List three key products / services that the Company manufactures / provides (as in balance sheet)**:
 - Edible Salt
 - Chemicals : Soda Ash, Sodium Bicarbonate, Cement
 - Fertilizers, Urea and Agri inputs
9. **Total number of locations where business activity is undertaken by the Company**:
 - i) Number of International Locations : USA ,UK, Kenya
 - ii) Number of National Locations: Mithapur,Babralla,Haldia
10. **Markets served by the Company - Local / State / National / International**:All

TATA CHEMICALS LIMITED
BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Section B: Financial Details of the Company as on March 31, 2013

		FY 13 Standalone Rs. crores	FY 13 Consolidated Rs. crores
1.	Paid up capital (INR)	254.76	254.76
2.	Total turnover (net of excise) (INR)	8440.93	14718.63
3.	Total profit after taxes, share of loss of associate and minority interest (INR)	643.32	400.40

1. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.4%**
2. **List of activities in which expenditure in 4 above has been incurred:**
 - a) Natural Resources Management
 - b) Enhancing Literacy and Education for the community.
 - c) Livelihood, Employability and Income Generation.
 - d) Health and Sanitation Programmes.
 - e) Equality and Women Empowerment.
 - f) Community Environment and conservation Projects.
 - g) Building Community Infrastructure.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**
Yes. The number of subsidiary companies of Tata Chemicals Limited as on March 31, 2013: 43
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes. Tata Chemicals Limited encourages its subsidiary companies to participate in its group wide Business Responsibility (BR) initiatives on a wide range of topics. All subsidiaries are aligned to the activities under the aegis of Tata Group.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**
We do not mandate that our suppliers and partners participate in the company's BR initiatives, However, they are encouraged to do so. Less than 30%

TATA CHEMICALS LIMITED
BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

- DIN Number: 00778253
- Name: Mr. R. Mukundan
- Designation: Managing Director

b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. S. G. Choudhary
3.	Designation	Chief Technology and Sustainability Officer
4.	Telephone Number	079-66080200
5.	e-mail id	sustainability@tatachemicals.com; sgchoudhary@tatachemicals.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly areas under:

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

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / 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)
	Has the policy been approved by the Board?	Y	Y	-	-	Y	-	Y	-	Y
4.	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?	http://www.tatachemicals.com/Sustainability/sustainability_report.htm								
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.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

2.a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Question	Business Ethics P1	Product Responsibility P2	Wellbeing of Employees P3	Stakeholder Engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
1.	The Company has not understood the Principles	NA								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next six months									
5.	It is planned to be done within next one year									
6.	Any other reason (please specify)									

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Within 3 months
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, TCL publishes GRI based Sustainability Report in a two year cycle and UNGlobal Compact COP and Investor CDP report yearly. The Link for viewing this report is : http://www.tatachemicals.com/Sustainability/sustainability_report.htm

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? No
2. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
Yes, Tata Code of conduct defines the commitment on ethical behavior by the company. Tata Chemicals has an elaborate system and processes on the 'management of business ethics' and all employees sign the Tata Code of Conduct. The company has a Chief Ethics Counselor located at

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

corporate office. Each site has an Ethics Counselor. Tata Code of conduct provides an opportunity to all employees / stakeholders to communicate any unethical act of any employee or any unethical practice to the ethics counselors.

The Tata Code of Conduct is sent to all suppliers with the contract, for their perusal in respect of relevant clauses. Awareness programmes are conducted on Tata Code of Conduct for all employees across the locations and corporate and marketing offices.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

52 complaints (including 5 of the previous year) were received from various stakeholders in the year 2012-13, 86.54% of these were satisfactorily resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

(i) **Customized Fertilizer – “ParasFarmoola”:** An innovative offering “ParasFarmoola” — Ek Mein Sab — customized fertilizer is an R&D-based offering, area (soil) and crop-specific nutrient which enhances crop productivity, promotes balanced application of nutrients and improves soil health.



(ii) **Water Purifier – Tata Swach:** Safe drinking water is a basic of human needs and its non-availability has been a major concern worldwide. The vision for Tata Swach is to reduce the incidence of water borne diseases by making safe drinking water accessible to all. Tata Swach is an offline household water purification system which purifies water without electricity or running water. Since launch, Tata Swach has been the recipient of many prestigious awards across the world.



(iii) **Agri-Solutions Services – Tata Kisan Sansar & Tata Kisan Parivar:** Tata Kisan Sansar (TKS) is one-stop agri input shop to a 'one-stop farmer's solution shop' offering a range of agri products and services and played important role in empowering farmer community. The Tata Kisan Parivar Membership Program is a unique relationship Initiative aimed at the most important stakeholder in the value chain – the end consumer, farmer. This is a bond with selective membership, which attracts the progressive farmer with a positive attitude. TKS provides a range of innovative and unique services to farmers through a



dedicated team of Krishi Preraks and Agronomists on the field, giving them that extra edge over traditional farming practices thus empowering farmer community. TKS promotes value added activities like organizing farmer meets, repository of agriculture knowledge, soil, water and plant testing laboratory, demonstration farms etc. thus help improve agriculture yield. Enhance in farm produce positively contribute in national food security, farmer socio-economic improvement and enhance CO₂ capture. Through our 681 Tata Kisan Sansars we cover around 22,000 villages and reach out to approx. 2.7 million farmers.

Tata Salt : It is a pioneer in promoting iodized salt in the country. Double fortified salt (with Iron) is a new innovation targeting the social concern of anemia within the country.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):
 - i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain
 - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. Yes, TCL has developed supplier sustainability code and has established process for vendor selection. This includes various factors; like Tata Code of Conduct, SA-8000, ISO certification, etc.
For sustainable transportation the following interventions have been taken up: efficient fleet access, full load based transportation, reuse of packaging material, bulker movements – deployment of German designed patented Lupa Bulklers to help reduce carbon footprint.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes, TCL has vendor development program. Over the years TCL has promoted local contractors and service providers and provide them opportunities as and when it arises. Additionally, the company has also promoted skills and livelihood development in the neighboring community through various training and community development programs. The company has also established an apprentice training center to improve capacity and skills of more than 100 apprentices every year.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

At TCL we focus on effective integration with the basic philosophy of resource optimization, use of alternative sources and maximization of “recycle and reuse” by innovation. Our cement plant at Mithapur is unique waste to wealth initiative in which in 2013-14 we have replaced 69% of virgin chemical grade limestone with recycled material like limestone fines, fly ash, effluent solids etc. Our soda ash filtration system is the first of its kind in the world and solids are filtered out of the wastewater using Larox filters. Filtered solids i.e., ESF cake is utilized to make cement. 100% of phospho-gypsum generated during manufacturing of phosphoric acid is sold as by-product. The Sulphur sludge generated in Sulphuric acid manufacturing is used as filler in Single Super Phosphate. It reduces virgin material consumption, silver sand as well as provides additional nutrient to plants as elemental Sulphur. Utilization of molten Sulphur, a neighboring refinery by-product is sourced through specially designed steam jacketed tankers directly. Utilization of molten Sulphur reduces equivalent quantity of imported Sulphur from Middle East countries. Most of our hazardous waste is recyclable and sent to MoEF approved recyclers.

Percentage of materials used that are recycled input materials:

Parameter	Unit	2012-13
% Lime stone replaced	%	69.63
Sulphur Sludge	%	12.57

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees:
3118 Employees in TCL India operations as on March 31, 2013
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 4576 as on March 31, 2013
3. Please indicate the number of permanent women employees:
136 as on March 31, 2013
4. Please indicate the number of permanent employees with disabilities:
20 as on March 31, 2013
5. Do you have an employee association that is recognized by management?: Yes
6. What percentage of your permanent employees are members of this recognized employee association?: 36%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour /involuntary labour	NIL	NIL
2.	Sexual harassment	1	0
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- A. Permanent Employees: 85%
B. Permanent Women Employees: 85%
C. Casual / Temporary / Contractual Employees: 85%
D. Employees with Disabilities: 85%

Almost all workers are covered under safety training and safety refresher training programs and any left over employees in a year are covered in the next year.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes / No
Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement strategy development process.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, We have a defined process for identifying key communities, their need and prioritizing interventions. Our key community consists of areas in and around our plant sites. Criteria for selection of key community are based on our Mission, Vision and Values (MVV), neighborhood of the area where we operate, impact on society and benefit to underprivileged people. The needs are identified through various listening and learning methods and prioritized based on parameters that help balance both the needs of the community and our long term strategic growth.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, while the company has followed an integrated development approach, it specifically targets the disadvantaged, vulnerable and marginalized stakeholders.

The key thrust areas are

- Natural resources management: This includes programs on water management and conservation, land improvement and rural energy. We have adopted a multifold approach to address water management through water harvesting, water recharging, adopting methods to stop ingress of salinity, roof rain water harvesting, etc. Non conventional rural energy is promoted in the rural areas with solar lanterns, solar street lighting etc.
- Development of Sustainable livelihoods : TCL helps the community, especially in its neighbourhood, to utilize the available resources to the maximum, develop them and also their skills towards sustainable livelihood development. Programs target both farm based programs such as agriculture and animal husbandry growth along with off farm programs such as enterprise and skill development. The projects include SHG formation, rural entrepreneurship program; vocational training and handicraft promotion. Rural entrepreneurship development program have been promoted as a way to create sustainable development. Uday foundation Rural BPO is providing training and employment to the rural youth at Babrala & Mithapur.
- Health, Education and infrastructure development projects: The organisation has initiated several programs to give a boost to the education situation. The projects include Book Bank, Adult education, BalUtsav, Support to schools and Scholarship program besides supporting a number of schools in the neighbourhood, which also benefit the community. More than 60% of the students are from the neighbouring communities.
The company also runs a large hospital that provides services to the community at a subsidized rate. Health projects include reproductive and child health program aids awareness program, eye camp. Other initiative has also been done to improve sanitation and hygiene for the local people
- Capacity building and empowerment: Self-help groups and other community based organizations have been promoted and various capacity building training programs are taken up periodically.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / others?

Company follows Principles of the International Declaration of Human Rights. Its policies support, respect and protect the Human rights of its direct as well as indirect employees. The sustainability Policy addresses these aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

None with respect to Human rights violation

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Environmental sustainability principles in overall planning and operations are an integral part of organizational strategy. We try and ensure that all employees and associates understand their responsibilities towards protection of environment and sustainable business with appropriate measures, goals, training and support. Through our commitment to Responsible Care we extend our knowledge and support to suppliers, contractors and other stakeholders for environment, health and safety improvement.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, The TATA Group Climate change Policy and the SHE policy of the company guides the organization to proactively address the impact of climate change and other global environmental issues. We have specific targets and goals to help reduce our waste and recycle. Tata Chemicals' sustainable enterprise strategy has always focused on green technologies and uses clean development mechanisms. Tata Chemicals Limited has embarked upon a climate change policy that includes mapping carbon footprint and creating an abatement strategy for sustainable manufacturing. It has adapted its businesses to become energy-efficient and use less water, and is innovating with new chemicals and fertilizer products and agri-services for carbon conscious growth. Information about the strategies adopted and programs undertaken are available in our sustainability report. The link to the report is as follows: http://www.tatachemicals.com/Sustainability/sustainability_report.htm

3. Does the company identify and assess potential environmental risks? Y / N

Yes. Through our enterprise risk management process and SWOT analysis potential environmental risks are identified. The organization has adopted ISO 140001 and is a signatory to Responsible care. Both of which guides the organization as and when required,

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

In past we have registered CDM projects with UNFCCC. We are assessing potential for renewable energies and clean tech for future and exploring opportunities for eco-village project under our Community Development Program. New capital expenditure projects are assessed for opportunities of greening of business / CDM benefits / efficiency improvement etc. at the time of approval. We have provided land to Tata Power at Mithapur for their 25 MW Solar Power Plant.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y / N. If yes, please give hyperlink to web page etc.

TCL is relying on several abatement levers to bring its emissions down to targeted levels. Abatement Roadmap is worked out on site basis and is linked with target through Long term sustainability planning (LTSP) to mitigate emission. Some of the projects are:

- Solar energy in our salt pans to produce salt for soda ash production at Mithapur
- Use of solar power for light and water geyser
- Hot gas air generator at Haldia supplemented with biomass along with coal fuel, etc.
- Efficient fleet access, full load based transportation, tied up with customers, reusing Soda ash bags 3 to 4 cycles, optimization of rail/road transportation, bulker movements – deployment of German designed patented Lupa Bulkheads to help reduce carbon footprint by curbing the usage of plastic bags for packaging, etc.
- Waste management by utilizing solid waste from soda ash ammonia still effluent solids which is considered as pioneering effort in world synthetic soda industry
- Utilization of fly ash in captive cement manufacturing
- Development project to add value to waste such as Green Bricks

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

- Production of Neem coated Urea provides anti pest properties in field and reduces pesticides consumption as well as it ensures slow release of nitrous oxide in atmosphere thus reducing GHG emissions.
- Biomass based power plant is under assessment stage

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Our emissions/waste generated reports are regularly submitted to CPCB/SPCB by the Company and no major non-conformances have been observed.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no pending or unresolved show cause / legal notices received from CPCB / SPCB as on end of the Financial Year 2012-13.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chambers or association? If Yes, name only those major ones that your business deals with.

TCL has a stewardship role in chemical and fertilizer industry. It has represented in FICCI, BCCI, ASSOCHAM, CII, ICC, FAI etc. and also member of IFA, AIChE-CCPS, etc.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No

Yes

If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The company has participated in industry body consultations in the following areas:

- Governance and administration
- Inclusive development and affirmative action
- Principles for Sustainable business
- Economic / sector reform

The Tata Code of conduct is the guide that the company uses for advocacy.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, The organisation follows an integrated approach towards development programs and follows the policy of Sustainable Development, participatory approach and transparent.

The key thrust areas are

- Natural resource management programs
- Building Sustainable Livelihoods
- Improving the Quality of Life through Health, Education and infrastructure development
- Empowerment and capacity building
- Environment Conservation programs

Natural Resource Management include

- a. integrated water management program, drinking water program

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

- b. Land improvement through Land reclamation
- c. Rural Energy promotion with a focus on renewable non conventional energy, along with promotion of efficient cookstoves.

Creating sustainable livelihood (both farm based and non-farm based)

Non Farm

- a. Vocational Skills Development
- b. Enterprise awareness camps
- c. Rural Enterprise Development program (REDP)
- d. Uday Foundation : Rural BPO
- e. Rural and Eco Tourism
- f. Okhai: Handicrafts development and promotion

Farm

- a. Integrated agriculture growth program
- b. Pond Management and Fisheries
- c. Animal Husbandry

Community empowerment

- a. Self Help Groups (SHGs),
- b. Community based Organizations (CBOs)
- c. Social Security

4. Improvement in the Quality of life

- a. Health includes personal hygiene and other health improvement programs
- b. Formal education through support of schools, informal education such as literacy drives, adult education, sponsorships and scholarships
- c. Infrastructure Development, Rural approach roads, school buildings etc.

Environment Conservation (DhartiKoArpan)

- a. Bio-diversity Conservation
- b. Rural Eco clubs
- c. Save the whale shark campaign
- d. Coral reef conservation
- e. Mangrove plantations

For additional information please visit the website: www.tcsrd.org

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The Company's CSR project are implemented through the team of Tata Chemicals Society for Rural Development (TCSRSD) which was set up in 1980 to protect and nurture rural populations. Since then the company has set up other focused organizations such as the Golden Jubilee Foundation, Uday foundation and Okhai- Centre for empowerment. We work with partners who respect and agree to our organizations' core CSR values. TCSRSD has always worked in partnership with government agencies, voluntary bodies and local authorities in implementing CSR initiatives TCL has partnered with various government and non government organization such as PFI, SRTT, SDTT, WASMO, NABARD and GRIMCO.

3. Have you done any impact assessment of your initiative?

Impact of the activities is measured on a regular basis by doing impact assessment, social audit by third party and by assessment as per the Tata Corporate Sustainability Protocol.

A community satisfaction survey is carried out yearly to understand the perception of the community, reach of programs and the satisfaction from them.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

For the financial year 2012-13: Rs.9 Crores.

Details of projects undertaken:

The company's development interventions are divided into four inter-related components, namely **Creating Sustainable resource base** through natural resource management, promotion of alternate source of energy and environment conservation programs, **Building sustainable livelihood** through both farm and nonfarm based livelihood program; **Empowerment** by strengthening Community Based Organizations (CBOs) such as SHGs, User groups, PaniSamities, Bhomisudhar committees etc; **Improving quality of life** through Health, Education and Infrastructure support program.

Creating Sustainable resource base

Natural Resource Management

Natural resource management programs across location focus at building the capacity of the local community towards better management of the natural resources. TCL, by ensuring long term sustainability of the natural resource, helps in raising the socio-economic status of the local community around its facility.



Key programs include Integrated watershed development, Drinking water support and land reclamation. This year Gomati Dam Channel renovation was the most important initiative undertaken during this reporting period that helped 103 farmer households. It helped irrigate 628 acres of their land as a result of which they could now grow crops in all the three season which is monsoon, winter as well as summer season. To further conserve water, 90 small and 3 medium size structures were constructed and renovated. Till date, 7228 acres has been irrigated by these water harvesting

structure and 258mcft of rain water has been harvested. Water saving techniques like sprinklers and drip system were also installed by 171 farmers during the year, helping to irrigate 804 acres of land in 25 villages of Okhamandaltaluka.

Reclaiming of saline (USAR) land and making it productive for agriculture use through land reclamation process has helped in reclaiming 1814.25 acres of the USAR land near Babrala. It has resulted in the increase of income to Rs 5.40 crores per annum for 1382 farmers from 46 villages around the core command area villages and two colonies (Bengali colony 1 & Bengali colony 2) in Junawai block.

Promotion of alternate source of energy

TCSR over the past few years has undertaken several pilot projects on rural energy in our neighbourhood communities. This year we installed solar power generator at Babrala which has powered 80 rural households and have constructed two bio gas plants at Haldia. We promoted 661 efficient cook stoves at Mithapur and Haldia. At Babrala, "Astra" cooking stoves designed by IISc, Bangalore have also been piloted. In addition to above intervention, 40 solar street lights were also provided in the town area of Babrala in Gunnour tehsil, Sambhal District U.P. with the support of NEDAC.

Nature conservation (DHARTI KO AARPAN)

TCSR has been involved in various environmental conservation activities, some of them in partnership with institutions of excellence. Many of these activities have been very successful; projects such as the "Save the Whale Shark campaign" at Mithapur have helped create awareness

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

for conservation of this endangered fish. We seek to continue with these initiatives, under the umbrella of creating sustainability for the entire coastal ecosystem in the region. Other activities like mangroves plantation continues to play an important role in filtering land run-off and controlling coastal erosion; and also regulate flooding and act as a sink for absorbing pollutants brought down by the rivers. We have planted 4,00,400 mangroves saplings near Mithapur and at Sundarban (South 24 Pargana). Awareness about the different varieties of mangroves planted in the coastal area and its importance was created among the school children through the Eco club activities held at Mithapur and Haldia. The ECO Club Program, along with the indigenous flora plantation program, has also been selected as one of the "Good Environmental Practice of Gujarat". The annual ECO Fair program was organized in March. More than 110 students and 40 teachers from 22 ECO Club schools participated and presented information on their village ecosystems and biodiversity through models, charts, posters, photographs and write-ups assisted by 120 TCL volunteers. Work on monitoring of the coral reef biodiversity continued with support of Wildlife Trust of India and the Gujarat State Forest Department A female Dugong (*Dugong dugon*) were recorded for the first time at the Mithapur reef. The presence of these creatures is a strong indicator of the good health of the Mithapur coral reef. Many conservation efforts to conserve the whale shark were organized through the year.

CREATING SUSTAINABLE LIVELIHOODS

Farm based Livelihood program

TCSR has been facilitating farm based livelihood program in all its three locations. Under the farm based livelihood program it has been promoting dairy farming, agriculture growth programs, animal husbandry and pond management. All these initiative has helped to improve the community economic as well as social state.

Agriculture growth program at Babrala follows three pronged strategy- crop diversification, building capacity of farmers and promotion of new modern agricultural systems and technology such as intercropping, laser levelling, promoting low cost equipments like bullock harrow, bullock seed drill, tractor seed drills, sugarcane planters, seed storage bins, spray machines to the farmers. Over 4000 farmers have been benefitted by this program.

At Mithapur, 11 net houses were constructed with the support of Horticulture dept. Net house technology, helped farmers to grow vegetables by using less water. It also resulted in increasing their farm income by 20%. Along with Sir Ratan Tata Trust, a project on "Promotion of sustainable and diversified farming system in Gujarat" was initiated by TCSR in 4 villages of Okhamandal. The 13 Farmer's production group formed at Mithapur have been linked up to ATMA (Agriculture technology Management Agency) for building their capacity and knowledge about latest agriculture techniques.

Pond Management Program: Training in scientific method of pond management was provided to 323 women this year. Providing of good variety of fingerlings, lime, potassium permanganate, mustard oil cake etc. along with promotion of ornamental fish culture was taken up.

Animal husbandry development is a big source of income for the people of Babrala. TCSR has been helping the cattle owners by providing quality services for better milk production. This program is one of the most popular among the community as it is directly helping to improve their income. Different kinds of services are provided under this program like advisory services, animal health check up at the door step by para vets (pashupalanmitra) and vaccination, breed improvement and provision of balance nutrition for animal growth. Recently opened Artificial Insemination center has been a big success as more number of animals was treated at this center.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Non Farm based Livelihood program

Vocational skill development Program- Vocational training in all the three location is provided for various trades depending on the market demand and employment prospects in the area. At Babrala, training on sewing cum stitching specially for girls, typing and shorthand in English and Hindi, mobile repairing, computers, beautician courses, Tally accounting, AC and refrigeration repairing are all provided at the Vocational Training Centre at Village House. Laptop repairing was added this year because of the demand in the area. 114 youth were supported for construction skill training.

At Haldia, multiple skill development training programs have been initiated as per the need and changing environment of the area like tailoring, nursing and hospitality, electrical repairing, computer application and mobile repairing for the rural youth and women.



At Mithapur too, in partnership with various institution of excellence, vocation training program have been provided to the local youth. 45 days technical training of electrician and welder was provided to 140 youth at Rishi weldtech – Baroda. 70 girls completed three months training with Dalit Shakti Kendra and 35 students undertook hospitality training in partnership with Indian Hotels.

Rural Entrepreneurship Development Program (REDP) focuses at enhancing the entrepreneurship qualities and skills among the target community especially the socially backward communities so

that they either initiate their own productive venture or become part of the group (cluster) enterprise. At Haldia 325 women were trained in enterprise development. At Babrala, enterprise development is taken up mainly through SHGs. Some of the group enterprises formed at Babrala are: incense sticks making, apiary (honey production), paper plates, envelop and sanitary pads production units etc. At Mithapur, 9 clusters such as bandhani, rexene, paper product, bead, block printing, jute, tailoring have been formed to enhance women's income.

Uday Foundation: Rural BPO at both the locations i.e. Babrala and Mithapur continued to provide employment opportunities to the 165 youth.

Handicraft Promotion program

Okhai continues its march of fulfilling its vision of being a brand that symbolizes empowerment of rural/ semi urban women by creating a sustainable business of handicraft. Along with Saurashtra handicrafts, the traditional art of Karjobi and jute craft of Haldia are all being promoted as part of Okhai. Through this initiative earning of 362 women artisans have increased. Production has steadily increased through sustained efforts and better planning. Sales for the year 2012-13 were Rs.106 lakhs.

Empowerment

All interventions aimed at the community necessitate the involvement of local community from initiation to ultimate ownership of the initiative as people participation is vital to the success of the programs, and it forms the basis of all the project design. It ensures this by establishment and participation of Community based Organization (CBOs) in almost all its programs. Institutionalization and strengthening of the CBOs like PaniSamithi, village level watershed committees, user groups, SHGs and gram sabha is given utmost importance.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Appropriate capacity building training programs and exposure visits were organised throughout the year at all the three locations. It helped in filling the gap and in strengthening the CBOs/ SHGs. Self help groups provided financial support to their all members as and when required. At Babrala, more than 200 Self Help Groups have been developed with the support of SGSY schemes and now NABARD.

Improving quality of life through health, education and infrastructure development

At all the three location, TCSR has been working towards improving quality of life through health care interventions, promotion of education for all, infrastructure support programs. Social security program which is being carried out for the past three years at Babrala has also helped to meet the same objective.

Health care intervention

Healthcare is one of the thrust areas especially in the remote areas where our plants are located. The Mithapur Hospital continued to provide subsidized services to the community.

Other programs included adoption of a sector wide approach encompassing sanitation and hygiene, nutrition and safe drinking water as basic determinants for good health. Medical facilities like mobile health clinic and community health center at Babrala village house have been provided because of the lack of professional doctors in the rural areas. Apart from these curative services, preventive health care facilities were provided by organising health camps and awareness sessions.

Blood donation and eye camps were organised at Babrala and Haldia locations. People with vision problems were provided with spectacles and medicines along with support for cataract operations.

At Haldia, anaemia identification camp was organised in two Government girls' high schools, in which 400 girls were tested. Post check up, an awareness camp on the causes of anaemia, its treatment and the preventive measures was conducted. Malnourishment project was also taken up through training of 87 Anganwadi workers.

Education

Tata Chemicals continues to support formal education through the schools that have been established in the townships. These have approximately 60% students from the nearby communities. Other programs included Innovative methods of teaching, enrolment drives, scholarship schemes etc. Under its infrastructure development program, it has been supporting village school infrastructure at Babrala as well as in Mithapur.

The DeshKoArpan program has been supporting deserving children of salt workers through scholarships and Learning and Migration Program (LAMP). 2035 salt worker's and other migrant worker's children have benefited this year. At Babrala, under Jan BimaYojana 144 students (mainly the girl child) availed the scholarship. Education for girls through SNET distance learning course is in full swing. At present, 305 girls are enrolled in this course. They have also started vocational training in tailoring and beauty culture.

Adult Education program has helped 485 women and girls at Babrala in Gunnaur region and 327 women at Mithapur to read, write and calculate.

AROHAN, a BalUtsav was organized in nine schools at Haldia. Various inter-school competitions were organised with the aim to provide a platform for the students to present their talent and skills and improve in the process.

Infrastructure Development Programs

During the current year construction of brick pavement tracks were completed in 11 villages. Till date, 365 running meter of brick paved tracks have been constructed in 11 villages at Babrala.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

Construction of these roads has helped in connecting the rural roads to main roads and has also helped link agriculture produce to the main market. Other infrastructure support was provided for construction of school boundary walls, construction of drainage channel, drinking water tap connections to 3140 households in 23 villages of Okhamandal and 186 individual toilets for better sanitation in the rural areas.

Social Security

This activity aims to connect the rural poor with different social security schemes of the Govt. like Jan Shree Bima of Life Insurance Corporation. This scheme is for the rural and urban poor people who are below the poverty line and for the persons who are marginally above the poverty line belonging to an identified occupational group. Under the same scheme poor students can get scholarship for education of their children. More than 3000 rural poor and 300 students studying have been covered in this scheme with claims up to Rs. 15,00,000 through death claims and scholarships.

For further information on projects and achievement please visit www.tcsrd.org; www.okhai.org

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes .Community is our key stakeholder and we believe that development of the community is only possible through inputs and partnership from all stakeholders. The guiding principles for the engagement with the community are enshrined in the "Community development policy" .These principles are sustainability, participatory approach, transparency, networking& partnership, creating a resource centre and volunteering.

The process of engagement with the community starts with identification of the key community, their needs and prioritization intervention. The needs are identified through various listening and learning methods and prioritized based on parameters that help balance both the needs of the community and our long term strategic growth.

The participation of the stakeholders is vital to success of all programs and forms the basis of all program designs. The projects are continuously monitored and evaluated to measure impact. Stakeholder Engagement Surveys and Impact Audits are conducted to assess project outcomes; that also help in fostering ownership amongst local communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?10.78%**
- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Product information about the physical dimensions and/or chemical compositions, /nutritional information/ nutrient content is provided through our product labels/pack declaration and/or catalogues. Round the clock information of our products is available on company's website and at the call centre. All packages retail / bulk contain product information including product manager's address /CRM contact number to enable consumers to correspond. All of our information is voluntary with various branding elements, with no comment on competitors or regional bias statements. Where ever applicable specific certification requirements of regulatory authorities and some markets like ISI, FSSAI, Halal etc. are provided on the product labels and / or catalogues.

TATA CHEMICALS LIMITED

BUSINESS RESPONSIBILITY REPORT FOR FY 2012-13

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There is no anti-competitive, abuse of dominant position or unfair trade practices case pending against the Company.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes, Customer satisfaction survey is carried out by the Company every year.