

TATA CHEMICALS



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Annual General Meeting
Wednesday, 22nd August, 2012

Time : 3.00 p.m.

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

BOOK CLOSURE DATES : AUGUST 10, 2012 to AUGUST 22, 2012

Board of Directors



Ratan N. Tata | Chairman



R. Gopalakrishnan | Vice-Chairman



Nussli N. Wadia



Prasad R. Menon



Nasser Murjee



Dr. Yoginder K. Alagh



Binath A. Kshirsagar



Dr. Y. S. P. Thorat



Cyrus P. Mistry



Dr. Vijay Kelkar



R. Mukundan | Managing Director



P. K. Ghose | Executive Director & CFO

General Counsel &
Company Secretary
Rajiv Chandan

Auditors
Deloitte Haskins & Sells
Chartered Accountants

Solicitors
AZB & Partners | Mulla & Mulla
and Craigie, Blunt & Carno |
Amarchand & Mangaldas &
Suresh A. Shroff & Co.

Registrar & Share Transfer Agent
TSR Darashaw Limited
6-10 Haj Moosa Patrawala Industrial
Estate, 20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011.

Management Team



The changing face of Tata Chemicals



Some enterprises grow vertically, others horizontally. Tata Chemicals has done both, and more, over the past six years. And it is now positioning itself as a provider of solutions that address tomorrow's food, water, health and climate-change challenges.

A metaphor from chemistry seems apt: Tata Chemicals has, over the last couple of years, been through several critical changes to transform itself from a simple, almost elemental entity into a complex molecule-type of organisation with new characteristics.

Six years ago, Tata Chemicals was India's largest producer of soda ash (sodium carbonate, a base ingredient for several industries);

it also sold Tata Salt, India's biggest salt product and most trusted food brand and was a leading provider of fertilisers. Today, after a series of acquisitions and mergers, it has gone much further. The Company is now the world's second-largest producer of soda ash and third-largest producer of soda bicarb (sodium bicarbonate) and it has expanded its agri-business portfolio.

Yet, apart from the several

obvious changes — it has grown several orders in size and from a company that used to be India-centric it now spans four continents and delivers products and solutions across the world — there's a more pervasive, almost holistic change in the vision and orientation of the Company.

To use a human metaphor, Tata Chemicals has developed an identity that is more well-rounded and



Tata Chemicals plant in Mithapur (Gujarat)

mature. From a commodity company that dealt mainly in inorganic chemicals, it is shifting towards providing end solutions, is developing a strong business-to-consumer interface and is now seriously investing in R&D, innovation and cutting-edge technology.

A Bigger Portfolio

The evolution of the Company is most apparent in entirely new genres of products — 'green' products that combat climate

change, patented hybrid seeds, biocides, customised fertilisers and a host of new consumer products that satisfy critical needs, such as the Tata Swach water purifier (which offers affordable water purification), iron-fortified salts to tackle iron deficiency, nutraceuticals to promote health and protein-rich, unpolished pulses.

But why on earth has the Company put itself through this colossal transformation? The answer lies partly in the word 'earth'. In an era in which technology advances and resource scarcities are rendering

some enterprises obsolete, companies are increasingly looking at their strategies through the lens of sustainability.

Sustainability at the Core

Sustainability is one of the core elements of vision for the Company. The actions over the last few years have been driven by long-term considerations. Today, Tata Chemicals is built upon the platforms of resource availability at one end and, at the other end, providing greater value through speciality

offerings, non-bulk chemicals and application products.

The quest for long-term viability manifested itself in a series of acquisitions and investments that have helped secure the Company's raw material requirements (See graphic: Spread far and wide on page 13). These upstream investments resulted in Tata Chemicals growing in several dimensions:

Of these, the acquisitions of the US-based General Chemical Industrial Products Inc. (Now Tata Chemicals North America Inc.) and the Kenyan company Magadi Soda Company Limited (Now Tata Chemicals Magadi Limited) were the most significant. They gave Tata Chemicals access to naturally occurring deposits of trona (a mineral from which soda ash can be produced economically). With more than 60 percent of its soda ash production based on natural sources, the Company could leverage its low

cost of production to become far more competitive. The Company's global sprawl of soda ash plants (in India, Kenya, UK and US) has now been consolidated and rebranded to create a single customer-facing business (See related article: When one is better than many on page 14).

Of equal significance are the more recent investments in British Salt Limited and EPM Mining Ventures Inc (EPM). British Salt Limited is a leader in consumer and industrial salts in the UK. It is a source of brine, which is a key input for soda ash operations in UK and the acquisition has lowered the cost of production. With the acquisition of stake in EPM, the Company gets access to low-cost sulphate of potash, which is a key input for fertiliser business.

Then there were several lateral investments that increased the range of the Company's agri-businesses

including acquiring a majority stake in Rallis India Limited to add pesticides to the crop-products portfolio.

The reasoning here is simple. Since soda ash (which has industrial applications and accounts for one-half of the Company's balance sheet) sells in a cyclical market, the Company has shored up its foundations by growing its Indian farm input business, a vertical that today touches 3 million Indian farmers and brings in about 40 percent of revenues. The idea was to make Tata Chemicals more recession-proof.

Future Evolution

The Company's investments over the past couple of years in innovation, new technologies and new products:

- > A one-third stake in JOil (S) Pte Limited of Singapore.
- > A one-third stake in Natronx, US, a new joint venture that will make sodium-based products for flue-gas treatment and climate-change mitigation.
- > The acquisition of Metahelix Life Sciences Limited in India (through Rallis) for its hybrid seeds and biotechnology prowess.
- > Investments in captive R&D facilities in India, namely the Tata Chemicals Innovation Centre in Pune and the Centre for Agri-Solutions and Technology in Aligarh.
- > An oligosaccharides plant of 300 tonnes per annum capacity (being constructed) in Chennai in India to manufacture nutraceuticals (probiotics and sweeteners that are food and pharmaceutical additives).

The Touch of Technology

Tata Chemicals captures hydrogen gas in fuel cells at its Mithapur plant.

The Company is licensing technology from the Central Salts and Marine Chemicals Research Institute, India, to make sulphate of potash from bittern, a byproduct from the production of salt.

Vacant salt caverns belonging to British Salt Limited can be sold or leased as captive chambers to store natural gas.

The Company has collaborated with MIT for its Swack water filter technology and in generating solar energy

Tata Chemicals' iron-fortified salt has been produced in collaboration with the National Institute of Nutrition, India.

Tata Chemicals and Railis are establishing schools to teach the new generation of Indian farmers modern agricultural methods and mechanised farming.

Tata Chemicals has joined hands with the Philippines-based International Rice Research Institute to promote new, flood-, drought- and salinity-tolerant rice varieties in India.



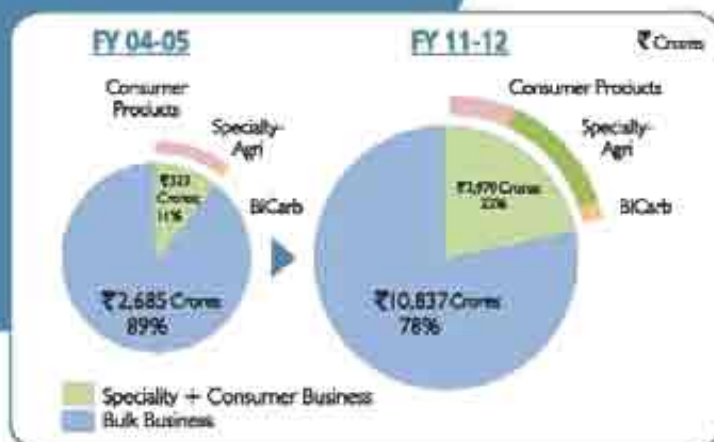
Tata Chemicals, a traditional industrial and agricultural chemicals company is building strong capabilities in biotechnology, crop sciences and nanotechnology. The new forays are a part of the Company's long-term vision. The Company is looking to leverage these technologies to find solutions to tomorrow's problems. The future is going to be in non-bulk products, in value-added and

customised offerings, in speciality chemicals, and so on and that's where the Company wants to be.

The shift in orientation from bulk and B2B to consumer products and B2C is creating a new buzz within the Company. Tata Chemicals already touches 650 million Indian households annually with best-selling salt brand - Tata Salt and has plans to put several new brands on retail

shelves. With multiple touch points in the food, water and health segments (See related article: It's all about consumer interest on page 10), the Company is focusing on upgrading its customer-facing capabilities and building up its consumer products division as a third vertical.

Innovation and Growth



The journey to Chemicals for LIFE

Tata Chemicals has matured substantially over the last six years, adding heft through organic and inorganic growth, and developing competencies in several new product categories:

Turnover: ₹ 3,100 crores | **2005**

Facilities: Mithapur and Babrala (India)

Turnover: ₹ 13,800 crores (consolidated) | **2012**

Facilities: Mithapur (Gujarat), Babrala (U.P) and Haldia (West Bengal);

Wyoming (US); Lake Magadi (Kenya); Northwich & Middlewich (UK)



Living Essentials

In this effort to expand its consumer products portfolio, the Tata Chemicals Innovation Centre plays a vital role. The focus is on creating new businesses with potential: wellness products like nutraceuticals and nanomaterials that reduce the stress on resources and customised fertilisers that improve soil health.

With the consumer products business acting as a new product hotspot, the agri-business vertical going global in search of raw materials, and the chemicals businesses getting consolidated and rebranded, the excitement within Tata Chemicals is palpable - not exactly what one would expect from a supposedly staid business.

Besides entering new segments, the Company is also growing organically. The salt works at Mithapur has increased capacity by 50 percent. British Salt Limited is

increasing capacity, the Magadi operations has doubled its tonnage and the US plant has de-bottlenecked to increase its output.

All this activity in the middle of a recession? Tata Chemicals sees no reason to worry as India and Asia as a whole are growing at 7-8 percent, the US economy is showing a slight upturn, Africa is growing and Europe is holding steady. In fact, the Company can just about meet its current customer requirements. The ground reality is that demand has not shrunk, but companies are facing pressure on margins because of higher costs that cannot be passed on to the customer. The Company is responding by trying to become leaner and more efficient.

Internally, Tata Chemicals is busy consolidating its global operations to derive maximum bang for its buck.

Clever financial restructuring has reduced the average cost of debt to around 7 percent. To bring all its group entities onto the same management page, Tata Chemicals has adopted Lean Six Sigma, SAP and Economic Profit Management along with other IT and HR programmes as common platforms across its branch organisations. Tata Chemicals has over 4,500 people across four continents and it is important that they speak the same language.

The Company has moved away from its 'chemical' identity to position itself as a provider of solutions. Its businesses have been restructured as LIFE: living (consumer), industrial and farm essentials. And the new facets of the Tata Chemicals persona are being expressed as its new vision - serving society through science.



Industry Essentials

Farm Essentials