July 27, 2018

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: **500770**

The Manager, Listing Department
The National Stock Exchange of India Ltd
Exchange Plaza
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051
Symbol: **TATACHEM**

Dear Sir,

Sub: Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015")

Pursuant to Regulation 34(1) of the Listing Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2017-18.

This is for your information and records.

Thanking you,

Yours faithfully,
FOR TATA CHEMICALS LIMITED

RAJIV CHANDAN
GENERAL COUNSEL & COMPANY SECRETARY

Encl: As above

TATA CHEMICALS

TATA

Transform Grow

79th Annual Report
2017-18

About this report

Tata Chemicals seeks to go beyond compliance in its corporate reporting. Alongside statutory declarations, this Annual Report includes non-financial information that is disclosed on a voluntary basis in accordance with the Integrated Reporting <IR> framework of International Integrated Reporting Council (IIRC). Assurance on financial statements has been provided by independent auditors B S R & Co. LLP and non-financial statements by Ernst & Young LLP.

Monitoring marine turtle mortality and nesting along the Okhamandal coast

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Transform Grow

The world around us is changing rapidly. Forces are combining to disrupt old orders and create exciting new opportunities.

We are on the cusp of a digital-led new industrial revolution. Digital technologies give us unprecedented access allowing us to track our operations at levels previously unavailable. This helps to understand customers better, and to deliver products and services more tightly aligned to their individual needs.

At the same time, we are experiencing a moment of change, as a young generation born, into a globalised world, takes its place as employees, wage earners, consumers and decision-makers.

Those young people are reimagining many aspects of life. They are health conscious and demand healthier food products. They want to deal with companies that share their vision and can show a sense of purpose beyond commercial profit. They discard traditional markers of success.

So we find ourselves at a moment of transformation. It is exciting and has immense potential. At Tata Chemicals, we have prepared ourselves for this new era by restructuring our portfolio and investing in the industries of tomorrow. We have taken decisions that allow us to participate in this transformation and to begin a new era of growth.

We believe it has the potential to benefit all stakeholders. This integrated annual report explains in detail what we have achieved and the growth we anticipate.

Spotlight

Global footprint

Our global supply chain allows us to service our customers effectively across the world.

» Manufacturing facilities

» Innovation Centre locations

Business sectors

- Inorganic chemicals
- Consumer products
- Specialty products - nutritional solutions, advanced materials and agri inputs (agro chemicals and seeds)

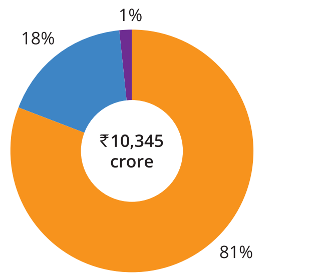
Our consolidated business has ~5,000 employees, including Rallis and Metahelix.

TCL	TCNA	TCE	TCM
2,327	551	385	251
TCIPL	**TCSA**	**Rallis**	**Metahelix**
3	11	977	443

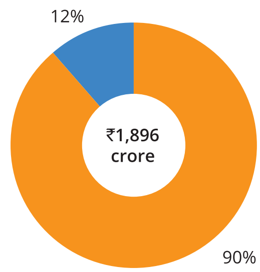
TCNA - Tata Chemicals North America, TCE - Tata Chemicals Europe, TCM - Tata Chemicals Magadi, TCIPL - Tata Chemicals International, TCSA - Tata Chemicals South Africa

Financial performance

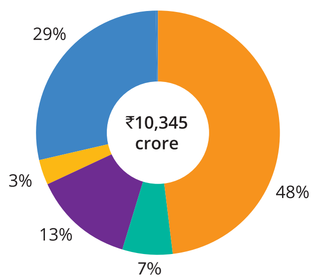
Segment revenue - consolidated (%)



Segment results PBIT - consolidated (%)



Geographical revenue - consolidated (%)



Company overview

We are a diverse but closely integrated set of people and businesses with a shared mission to serve society through science.

Established in 1939, Tata Chemicals Limited (TCL or the Company) is a global chemicals company serving the needs of industry, consumers and the agricultural sector. The Company manufactures inorganic chemicals, consumer products, crop protection and agriculture inputs, and nutritional solutions. We serve a varied set of customers across five continents with employees spread across four regions.

Our approach to business is

- Delivering high performance for stakeholders
- Caring for the community
- Nurturing a committed and passionate workforce

Growing our businesses

Through our consumer products portfolio, we have positively impacted the lives of millions of Indians through the iodised and Iron fortified Tata Salt. The Tata Sampann umbrella brand focuses on providing everyday nourishing food to consumers such as unpolished high protein dals, low oil absorb besan, and a wide range of uniquely developed spices. Our nutritional solutions business through its umbrella brands NQ and Nx provides innovative range of prebiotics and healthier alternatives to regular sugar.

Our inorganic chemicals business is a specialised manufacturer of soda ash, sodium bicarbonate and allied products. These are consumed as inputs to diverse industries such as glass, detergents, textiles, feed, mining and chemical processing across the globe. The global chemicals business has a competitive advantage, as it is the world's most diversified natural soda ash manufacturer. Through two subsidiaries, Rallis India Limited (Rallis) and Metahelix Life Sciences Limited (Metahelix), we provide innovative products and services to the Indian farm sector. Rallis has a portfolio of crop protection chemicals, seeds, plant growth nutrients, soil conditioners and agri-services and serves the international market through contract manufacturing and registration based sales. Metahelix is a world-class biotechnology innovator in the field of seed hybridisation.

In the last 79 years, our deep-rooted values along with our cultural pillars have kept us focused on our mission to accomplish our vision.

Values

Safety, Passion, Integrity, Care and Excellence.

Cultural pillars

Proactive cost focus,
Agile execution,
Collaborative innovation and
Trusting relationships.

Mission

Serving society through science.

Vision

To be a sustainable Company with deep customer insights and engaging relationship with all stakeholders in industrial chemicals, branded agriculture and consumer products.

On the path to transforming our businesses

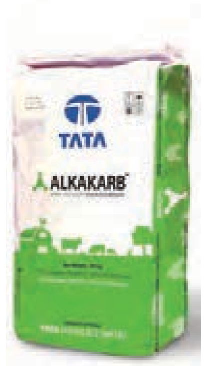
- Completed sale and transfer of Urea Business (Babrala) to Yara Fertilisers India Private Limited in January 2018
- Divested Phosphatic fertiliser and trading business (Haldia) to IRC Agrochemicals Private Limited
- Invested in knowledge-led businesses by signing Memorandum of Understanding (MoU) with Government of Andhra Pradesh to invest in a greenfield biotechnology manufacturing unit for food ingredients and formulations
- Greenfield project under construction in Nellore, Andhra Pradesh for a manufacturing plant of fructooligosaccharides with installed capacity of 5,000 MT of FructoOligosaccharides (FOS) with a total investment of ₹ 270 crore
- Commitment to invest ₹ 295 crore for manufacturing silica based products
- Acquired the precipitated silica business of Allied Silica Limited in Cuddalore, Tamil Nadu for upto ₹ 123 crore to manufacture Highly Dispersible Silica (HDS) and other silica based products developed at our Innovation Centre
- Handling the water purifier business as a Corporate Social Responsibility (CSR) initiative to serve communities that do not have access to clean drinking water
- Launched Multigrain Khichdi, Nutri Mix Chillas, and Organic pulses with Star Bazaar and Amazon in Mumbai, Pune, Bengaluru, Hyderabad, Delhi NCR, Kolkata
- Launched Medikarb™, India's first branded pharmaceutical-grade sodium bicarbonate

Organisational structure - our businesses

Chemicals

Product profile

TCL
Soda ash, allied chemicals, sodium bicarbonate, cement, and advance materials.
TCE
Light soda ash, sodium bicarbonate, sodium chloride, calcium chloride, crex, and heavy soda ash
TCNA
Dense soda ash, natural light soda ash, and synthetic light soda ash
TCML
Dense soda ash, crushed refined soda, sodium bicarbonate, dry industrial salt, and fortified animal salt.



Consumer Products

Product profile

Tata Salt, Tata Salt Plus, Tata Salt Lite, Rock Salt and Black Salt, Tata Sampann Dals, Tata Sampann Besan, Tata Sampann Spices (Tata Swach non-electric water purifier)

Nutritional Solutions

Product profile

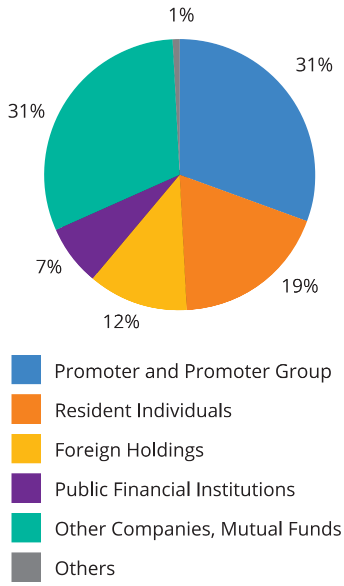
Nutritional solutions, Sustentials™ brand, wellness foods, prebiotic products, Gossence™, Fossence™, Tata Nx Lite & Sweet, Tata Nx Zero Sugar

Agricultural Solutions

Product profile

Hybrid seeds and fertilisers

Ownership structure of Tata Chemicals



Awards

- Tata Salt ranked 3rd Most Trusted Food Brand in Economic Times' Survey 2017
- Recognised as Asia and India's Most Admired Knowledge Enterprise 2017
- Awarded at the CFBP Jamnalal Bajaj Award for Fair Practices 2017
- Number 1 in Responsible Business Rankings 2017
- Tata Chemicals won at the Confederation of India Industry (CII) Industrial IP Awards 2017 as the Trademarks Driven Industry of the year
- TCL's Corporate Social Responsibility team won the Best Practice Award on Sustainable Development Goals of UN Global Compact Network India
- Tata Chemicals Mithapur won the Sustainability Award for Excellence in Safety (Chemicals) at the Federation of Indian Chambers of Commerce & Industry FICCI Chemicals and Petrochemicals Awards 2017

Soda ash
3rd largest soda ash producer.
Most diversified soda ash manufacturer.
The glass used in approximately every 5th vehicle in the automobile industry.
Majority of Indian detergent manufacturers use Tata Chemicals' soda ash.

Salt
Leadership in salt.
25.5% overall market share reaching 148 million households annually.

Bicarbonate
5th largest sodium bicarbonate producer.
Companies such as Parle, Colgate, Britannia , Godrej, and unbranded snacks manufacturers use Tata Chemicals' sodium bicarbonate.

MD's message

Dear Shareholders,

It gives me immense pleasure to share with you our performance for the year and perspectives on the way forward. This year marks 150 years of Tata Group's service to society. Tata Chemicals has made a significant contribution to the group's agenda. Next year we will celebrate 80 years of Tata Chemicals and 90 years of the founding of the enterprise as Okha Salt Works. Throughout the time our Company has constantly evolved to stay relevant to meet the needs of customers and deliver value to all its stakeholders.

Overall Business Performance

Our business is robust. Performance was upwards and on expected lines across all geographies including India, Kenya, the UK, and the USA. In India, we launched Medikarb, a pharmaceutical grade sodium bicarbonate, and there were pilot launches of khichdi mix, a nutrimixes range, and our organic pulses range. Distribution of new products is through modern retail stores which is improving the focus and brand equity of Sampann.

With a strong focus on productivity improvement, the Company achieved profits in line with expectations. During the year revenue from continuing operations was ₹ 10,345 crore, down from ₹ 10,681 crore in the previous year. This small reduction was consequent to a management decision to reconfigure the supply chain in our Consumer Products Business. Net profit was up by ₹ 439 crore at ₹ 1,560 crore. Adjusting for one off events the net profit from continuing operations was up by ₹ 123 crore.

Cash flow from operations continues to be strong. On a standalone basis there was a reduction of borrowings by ₹ 1,003 crore and we showed a healthy cash position of ₹ 3,753 crore resulting from the divestment of our urea business.

Going Forward – Our Strategy

The Company today is engaged in an energising transformation agenda built on the three pillars of Innovation, Sustainability and Digitisation. Our future growth catalysts are going to be specialty chemicals and consumer products.

For the Specialty Business, the past year marked the first milestone of our transformation. We seeded two new investments totaling ₹ 565 crore. We began work on our nutritional solutions plant in Nellore, Andhra Pradesh and signed the business transfer agreement for our acquisition of the precipitated silica business of Allied Silica from which we will build the Highly Dispersible Silica Business out of Cuddalore, Tamil Nadu. Both these businesses were spawned in our Innovation Centre in Pune and are first in a pipeline of businesses being seeded by the Company with a focus on innovation and applications of new technologies. Our two subsidiaries Rallis and Metahelix, which house the specialty businesses, Agrochemicals and seeds respectively, are also making excellent strides in terms of new products and innovation in farms.

Our Consumer Products Business is following a strategy to expand range and reach. We expanded our range from Tata Salt to pulses including organic pulses, nutri-mixes and khichdi. We have a strong pipeline of value added products, to be launched from time to time. In addition we have invested resources to build a resilient digitised sales and distribution engine to drive greater reach and engagement. Our direct reach continues to improve and all our brands improved their brand equity position in the past year.

Simplify, Synergise and Scale

Our exit from the fertiliser sector has simplified the portfolio of the Company and there are now strong synergies between all our businesses, underpinned by a foundation of science. The focus now is to scale our specialty and food consumer businesses while we retain scale in our basic chemicals business. The balance sheet strength of the Company now enables it to drive scale in both the specialty and consumer portfolio.

Focus on Innovation, Digital, and Sustainability

Our investments in laboratories in Pune and Bengaluru are the backbone of building knowledge driven businesses with strong foundations in future technologies. Many of the product lines being pursued at these facilities are in line with a growing emphasis on sustainable solutions. Digital technology is now at the centre of every aspect of the Company's operations. We are embracing the opportunities of the fourth industrial revolution through Manufacturing 4.0 and Sales & Distribution 4.0. These are central pillars to our ways of working. Our efforts toward managing the concerns of climate change and energy use are driven through a focus on responsible manufacturing, to deliver Zero Harm to people, assets, and environment across the value chain in current and future businesses. These efforts will gather momentum in the current year and beyond.

In Conclusion

I would like to thank all the shareholders of the Company for their continued support. We remain focused on building a sustainable long-term future for the Company for all its stakeholders while upholding the Tata Values and Group Purpose. Engaged employees are our strength and they bring passion and energy in all our efforts. We now rededicate ourselves to the journey ahead as we celebrate 150 years of the Tata Group.

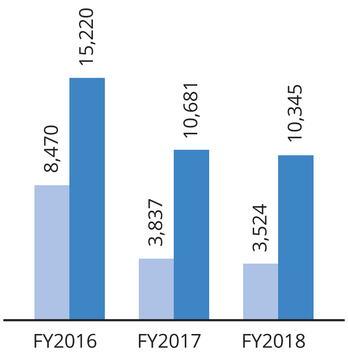
I assure you it will be a fruitful and fulfilling journey together.

Best regards,
R. Mukundan
Managing Director & CEO

Performance highlights

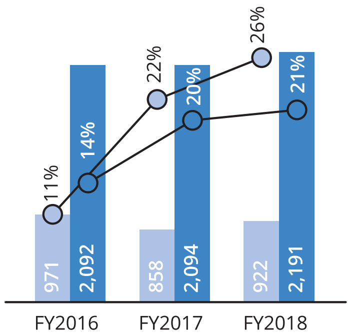
Standalone Consolidated

Financial capital



Total revenue from continuing operations (₹ in crore)

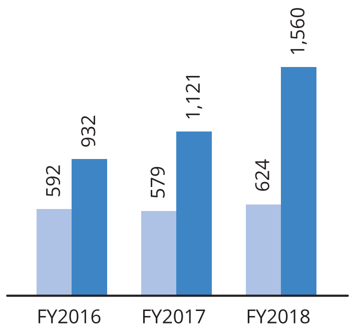
Standalone Consolidated



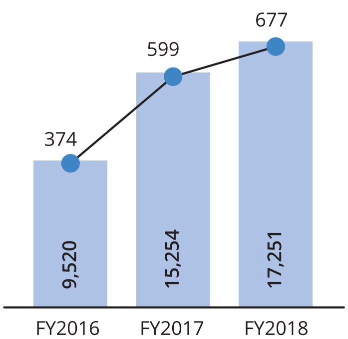
EBITDA (₹ in crore)

Earnings before interest, tax, depreciation and amortization

Standalone Consolidated



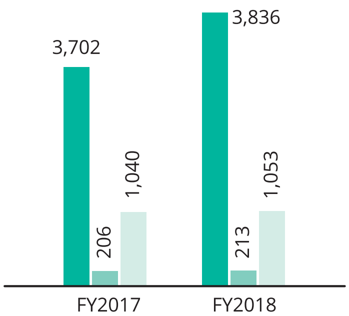
Profit after tax (₹ in crore)



Share price (₹/share)

Market cap (₹ in crore)

Manufactured capital

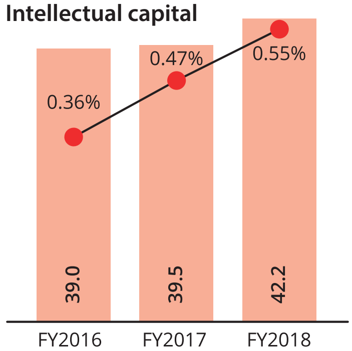


Production volume

Soda ash Branded salt

Sodium bicarbonate (in Kts.)

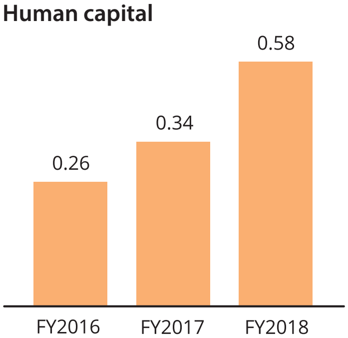
Intellectual capital



As % of revenue from standalone operations

R&D expenditure (₹ in crore)

Human capital

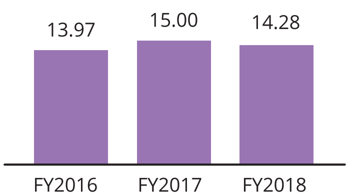


Employee productivity (₹ in crore)
Profit before tax (PBT)/employee*%

*TCL India. % FY2017 numbers are as per Ind AS and previous year's numbers are as per IGAAP.

*Excludes profit on sale of Urea Business of ₹ 1,214 crore

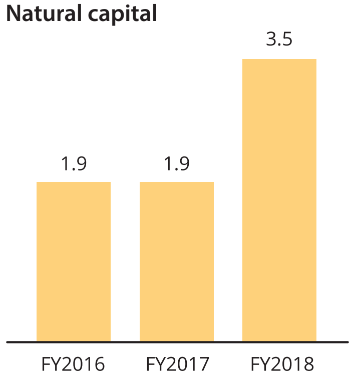
Social and relationship capital



Expenditure on CSR* (₹ in crore)

*TCL India
*CSR Spend numbers for FY2018 are pre statutory audit

Natural capital



RMI: Responsible Manufacturing Index

We measure our Natural Capital using an internal tool - RMI (Responsible Manufacturing Index) to monitor key indicators across the geographies such as energy, water, recycle waste, climate change, renewable energy, product rejection, etc.

• All data relates to continuing operations

Aligning materiality to business priorities

Engaging our stakeholders

Tata Chemicals understands the significance of maintaining strong relations with stakeholders through effective engagement. Our management represent the Company in various industry associations and committees including: Confederation of Indian Industry, Indian Chemicals Council, Chief Financial Officer (CFO) Choice, National Human Rescource Department Network, All India Manufacturers' Organisation, Advertising Standards Council of India, Eastern Africa Association, Wyoming Mining Association, and the UK's Chemical Industries Association, to promote sustainability matters and create solutions.

Our stakeholders	Relevant matters	Engagement methods
Shareholders and investors	Appreciation in share price and growth in dividends, high level of corporate governance	Annual General Meeting, report to shareholders, investor/analysts meet, quarterly results, media releases
Customers	Consistent quality, timely delivery, mutually profitable and long term relationship	Distributor/retailer/direct customer meets, senior leader customer meets/visits, customer plant visits, Chief Operating Officer's club, achievers meet, KAM workshops, membership in trade organisation/associations, complaints management, joint business development plans, customer surveys
Suppliers and partners	Timely payment, vendor selection process, safety, health and wellbeing, and human rights of employees of contracting companies/suppliers along with long term relation	Supplier prequalification/vetting, supplier plant visits, MOUs, trade association meets, contract management, product workshops
Employees	Employee engagement, training and development, career progression, health and safety	Senior leaders' communication/talk, town hall briefing, performance review, union meetings, wellness initiatives, intranet, websites, poster campaigns, Confluence, circulars, quarterly publications, newsletters
Government	Legal compliance, especially on safety, health and environmental performance, creating jobs through growth sustained contribution to national tax, community development and progress on implementation of social and labour plans	Advocacy meetings with governments and ministries, seminars, media releases, membership in local enterprise partnership, membership in industry bodies
Communities	Proactive engagement, contribution to local infrastructure, skill and capacity building, sustainable livelihood, clean and safe environment	Community meetings/visits, local authority and town council meetings, location head's meet, Strengths, Weaknesses, Opportunities and Threats (SWOT), committee meetings,community projects, seminar/conferences

Identifying material issues

TCL believes that an issue is material if it impacts the ability of the business to create and sustain value over the short, medium and long term. We consider the effect on our strategy, governance, performance, growth, costs, risks, opportunities, and importance for our stakeholders. We check whether the issues are aligned with our vision, brand portfolio, and geographical footprint.

Following the identification and mapping of issues previously, we have extended the materiality assessment process during the year to identify priorities across the value chain.

We engaged investors, shareholders, media, government, employees (Indian and international), suppliers, customers, and the community in the process. Interactions included one-on-one meetings, tele-calls, video conferencing, detailed interviews of top management, and external stakeholder surveys.

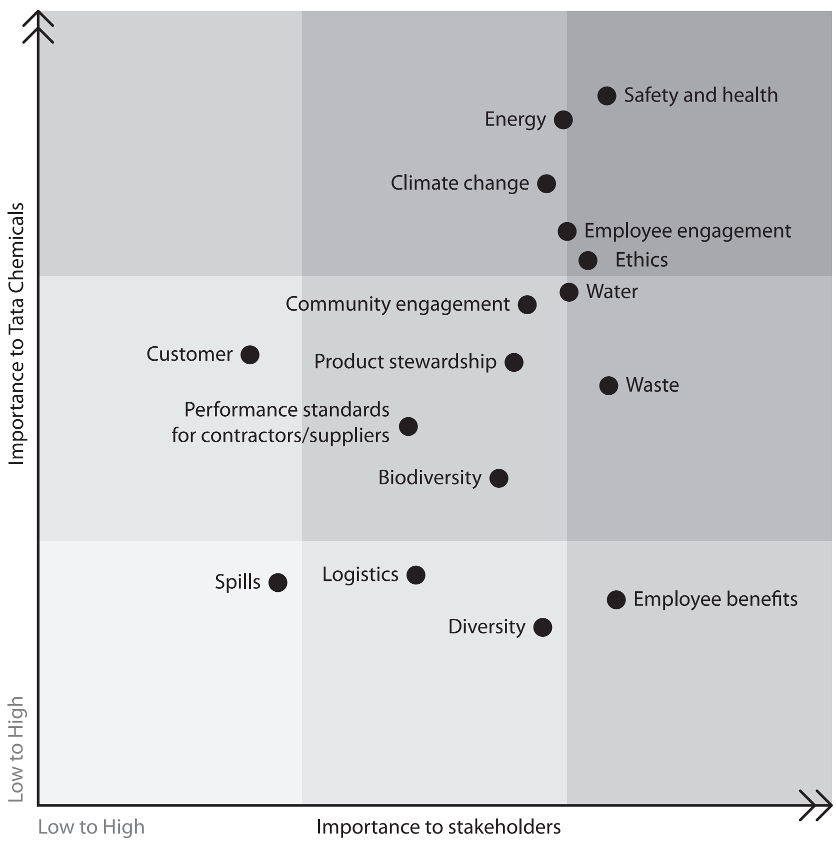
Mapping materiality issues

Insights achieved from those regular engagements with our stakeholders helped us map the material issues against internal business priorities. The business goals and challenges were then reviewed to finalise the materiality matrix. We have internally reviewed the materiality by each business to check its relevance.

We decided to revisit the material aspects periodically and same was done this year. We track and measure the focus area parameters that are relevant and conduct materiality assessment process to arrive at material matters that impact the business today and in future.

We recognise that each of our businesses engage with and impact a unique set of stakeholders. We have addressed the interests of stakeholders under each of the business spreads being Chemicals (p22), Consumer Products Business (p16) and Nutritional solutions (p28).

Materiality matrix



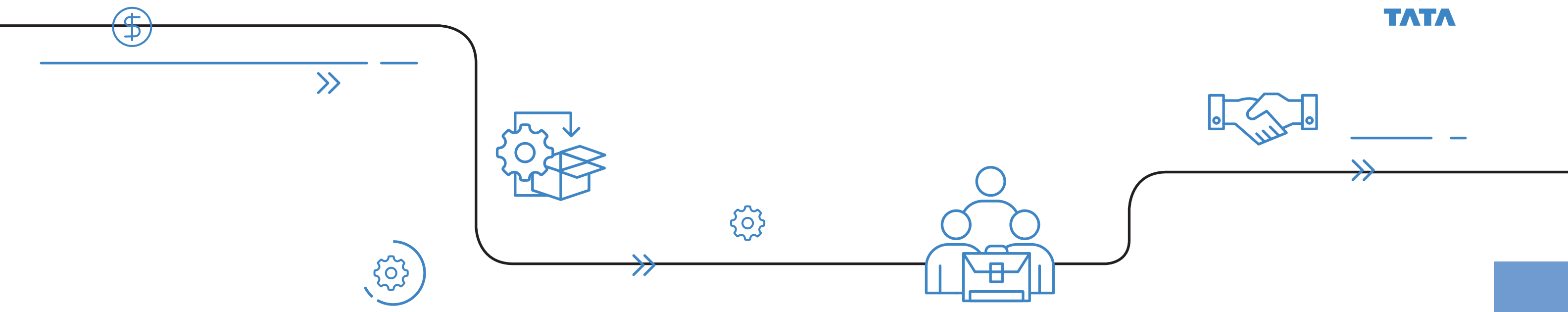
Addressing materiality issues

A crucial step in this materiality process is effectively resolving issues via strategic and accountable responses. The positive outcomes of such resolutions are propelling us towards definitive growth. While we address material issues, we will closely monitor the progress made during the ongoing financial year and report internally to evaluate progress against our our long-term commitments.

TATA CHEMICALS

Value creation through capital allocation

Financial 	Manu-factured 	Human 	Social and Relationship 	Natural 	Intellectual 	
Capital allocation						Value creators
						**Stakeholders value creation (revenue, profits and growth)**
						**Customer centricity**
						**Technology enabled differentiation/ Operational excellence**
						**Employee engagement**
						**Commitment to sustainability**



Deployment of the six available capitals creates value for all stakeholders and supports our growth agenda.

Outcomes

Robust financial performance

- Net debt-free at TCL (standalone)
- International entities are on the growth path generating sustainable profits
- Significantly improved working capital
- Desire to use efficient low carbon technologies

Market leadership

- 3rd largest producer of soda ash in the world
- FY2018 - Highest ever production of sodium bicarbonate, salt, and marine chemicals
- Tata Salt ranked as 3rd most Trusted Food Brand in India

Innovation led new products

- 114 patents filed, 40 granted to date
- Launched India's first pharma grade bicarb (MediKarb), coloured soda ash speckles (DetMate), Tata Nx sweetener, Rock salt and Himalayan salt
- R&D centres house 203 research professionals/scientists
- Zero dependence on fresh water for process requirement at Mithapur

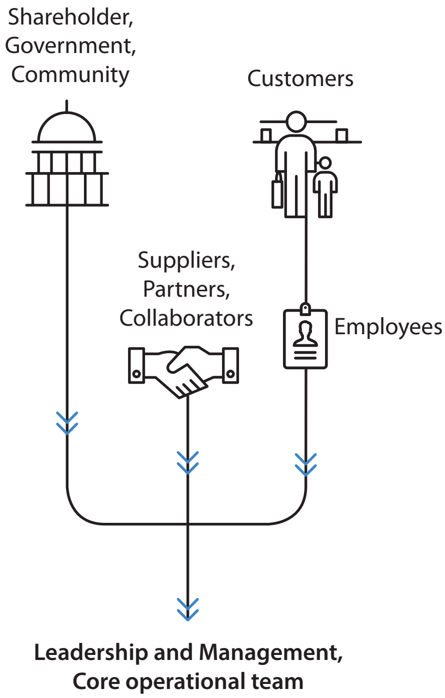
Engaged and passionate employees

- Uninterrupted industrial harmony
- Above industry average employee engagement levels 68% globally
- PBT/Employee: 71% improvement in employee productivity (TCL India)
- Most Admired Knowledge Enterprise award in Asia

Care for community

- Approximately 750 artisans impacted across locations in India through Okhai
- Focus on clean water availability in rural India through water purifier business
- 24% reduction in total recordable injuries reported in FY2018 compared to FY2017
- Zero dependence on ground water withdrawal in Mithapur
- 80% of arable land with one million farmers

Blueprint for our transformation



Developing long term strategy in line with our mission and vision

The strategy planning process stems from our mission of serving society through science. It is tied to our vision to be a sustainable Company with deep customer insights, and engaging relationships with all stakeholders in the business of inorganic chemicals, consumer, and specialty chemicals. This process is the key driver of our organisational sustainability and growth. It provides a mechanism to track changes externally and internally.

Key value drivers to create long-term value

We are focused on delivering long-term value for all stakeholders by attaining sustainable, profitable growth. This is achieved through deep consumer engagement, operational excellence, and sustained employee engagement. It involves a focus on sustainability and can be measured through revenue growth, improved return on capital employed (ROCE) and profit before tax.

The strategic planning process

The process is an elaborate exercise that identifies the context in which we operate including strategic advantages, challenges, and core competencies. It is designed to set the direction so that organisational objectives are achieved.

1 Environment scanning

External inputs from stakeholders and other formal or informal processes. Analysis by Strategic Business Unit (SBU) strategy team includes market place changes, major technology shifts, regulatory changes, and manpower requirements.

2 Direction setting

Challenges, advantages and core competencies are reviewed at the annual strategy and Long-Term Strategy Planning (LTSP) workshops. Leadership provides strategic directions to each SBU, with targets, highlighting the boundary conditions, priorities and stakeholder needs.

3 Aligning SBU & functional LTSP

SBUs develop strategic plans and initiatives for a five-year horizon. Capital and manpower requirements are discussed and sustainability goals are decided. Long term strategic plans are then integrated.

4 Strategy deployment

SBU LTSPs are reviewed by corporate strategy and finance teams. Inputs are provided to each LTSP to develop synergies.

5 Enterprise LTSP

BSC developed and cascaded down the organisation leading to individual goal plans.

6 Strategy review

We have a pyramid review structure of the Balanced Score Card (BSC). Accelerated growth plans are also reviewed by the Board.

7 Evaluation and improvement

Feedback is provided by the Board, senior leadership, and Tata Business Excellence Assessments. Best practices from group companies and other stakeholders are used to improve our strategy planning process.

The table below shows the Company's relative positioning, management's view of the market, major trends impacting the market, the potential for growth, and underlying assumptions:

Business/product	Relative position	Potential for growth
Soda Ash	World's 3rd largest	World demand is forecast to grow at ~2% p.a. through 2022
Sodium Bicarbonate	World's 5th largest	Volume growth rates at above- Gross Domestic Product (GDP) levels at a compound annual growth rate (CAGR) of 2.5%. Significant value addition potential in the future given its wide range of existing and new applications
Agri inputs (agro chemicals and seeds)	-	Increased use of irrigation facilities and increasing popularity of crop insurance schemes may aid in reducing distress experienced in the agricultural community
Salt	Market leader	Salt is growing at 1.5 - 2% per annum
Pulses and related products	Only national brand	Government has continued to purchase surplus production, restrict imports and open up exports of certain varieties of pulses
Spices	-	Premium product offerings and new go-to-market models are being introduced to develop strengths in modern format stores and alternate distribution channels
Nutritional solutions	Pioneer	The business has been steadily built on product conceptualisation through customer partnership, complex fermentation technologies, and gut microbiome data models

Key market trends

- Consumption may drive a revival in growth as households benefit from higher wages, benign inflation and and a potential pre-election increase in public spending.
- Growing awareness of brands, easier access to markets and changing lifestyles are the key growth drivers for the consumer market.
- Increase in rural consumption in the FMCG market.

Competitive advantages

Inorganic Chemicals

- Manufactures cement as part of its integrated operations at the Mithapur site.
- Global supply chain gives a unique advantage in serving customers with assured supply and efficient service at competitive prices.

Consumer Products Business

- Tata Sampann is the only national brand player in the pulses market.
- Our Tata Salt portfolio reaches more than 148 million households in India. It continues to be a market leader in the salt category - a testament of the customer's enduring trust in the brand.

Specialty Chemicals

- Covers 80% of India's districts impacting 5 million+ farmers through its subsidiaries Rallis and Metahelix.
- Established world-class Research and Development (R&D) facilities such as the Innovation Centre in Pune and Rallis Innovation Chemistry Hub (RICH) in Bengaluru.

Our strategic direction

In the context of market trends, the key drivers of value creation, and the Company's competitive advantage, our strategic direction is three fold:

Maintain leadership

Maintain cost leadership and scale further through operational excellence in our global chemicals business.

Grow rapidly

Grow through increased product portfolio and strategic sourcing in our consumer products business - Foods.

Seed and build

Develop our niche specialty chemicals portfolio through scientific innovation and acquisition of businesses in - agrochem, nutritional solutions, and advanced materials.

Metrics and targets

Targets and measurements are used to track the Company's ability to deliver on its strategy. These key performance indicators (KPIs) indicate our alignment with the strategy.

Dimension	KPI	Measurement	Enterprise strategic objective
Financial	Profit	Improvement in profit	Maximize sustainable long-term profitability
	Capital allocation	The efficiency with which capitals are employed	
	Growth in free cash flow	Improvement of net income through operating performance or efficiency ratios	
Customer	Net promoter score	An indicator for our engagement with customers highlighting our understanding of their needs and their satisfaction.	Develop deep understanding of the unique needs of customers
Internal	Safety: TRIFR*	Total Recordable Injury Frequency Rate, considering number of employees and hours worked	Achieve benchmark level in sustainability, Safety, Health and Environment (SHE) and CSR
	Sustainability Assessment Index (SAI)	Concerns of communities at our sites as well as ensure their growth	
Learning and growth	Employee engagement score	The employee engagement survey identifies opportunities in all aspects across businesses and geographies to build an engaged workforce	Build human capital

*Total Recordable Injury Frequency Rate

Horizons

Horizon 3

This perspective looks more than five years ahead. It focuses on long-term vision, the role of innovation, and portfolio decisions. It is undertaken at the enterprise level.

Horizon 2

This considers a two to three year timeframe. It addresses revenue forecasts, growth dimensions, sustainability, and initial capital allocation planning. Tools such as the balance score card and the long-term strategy plan are used.

Horizon 1

The horizon is the coming year and is tactical in nature. Through the annual business plan and strategy deployment matrix the five-year plan is translated into specific actionable annual plans. This includes identification, prioritisation and allocation of resources.

Our strategy

The Company continues to transform from a commodity and an inorganic chemicals manufacturer to a provider of wellness solutions, with a focus on consumer, agri and specialty businesses. The transformation journey is driven by building brands with greater customer centricity and technology-led differentiation. Our R&D centres in Pune and Bengaluru are the heart of a knowledge driven businesses and we are putting digital technology at the centre of our operations.

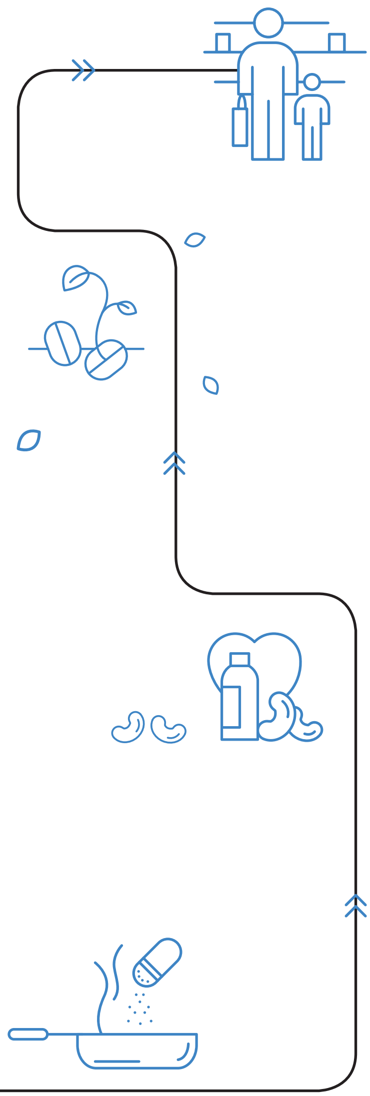
Exiting the fertiliser sector has simplified the portfolio of the Company and there are now strong synergies between all businesses. These are driven by the underlying applications of food, nutrition, and plant chemistries. The focus now is to scale the specialty and food businesses while retaining scale in industrial chemicals. The strength of the balance sheet now enables the Company to achieve scale in both the specialty and consumer portfolios.

The inorganic chemicals business will focus on maintaining its leadership position by driving cost efficiencies and customer engagement. It has a special focus on leveraging technology and scale through operational excellence.

The consumer products business will further improve the reach of Tata Salt and build scale for Tata Salt Lite, pulses, besan and spices. It will focus on value added products.

The nutritional solutions business has signed a MoU with the Government of Andhra Pradesh. The business has invested ₹ 270 crore for setting of a greenfield biotechnology manufacturing unit with an installed capacity of 5,000 metric ton (MT) of FOS for food ingredients and formulations in Nellore, Andhra Pradesh.

The advanced materials business will concentrate on manufacturing of Highly Dispersible Silica (HDS). The silica business has committed to invest ₹ 295 crore and has recently acquired the precipitated silica business of Allied Silica Limited in Cuddalore, Tamil Nadu for upto ₹ 123 crore for manufacturing of HDS and other silica based products.



A privileged place in India's kitchens

The eating habits of millions of Indians are changing. Rising disposable incomes, increased urbanisation, and greater health awareness are factors driving a shift in people's purchasing patterns and creating exciting new market opportunities for our Consumer Products Business (CPB). We are working with our Innovation Centre and various institutes to develop new product variants and recipes that boost the well-being of our citizens and transform their cooking experience.

Our business environment

Salt and related products

India is the third largest salt producer after China and USA. India's salt production is 28,000,000 tonnes* per annum. Iodised salt production is 6,600,000 tonnes per annum. Branded, packaged edible salt accounts for about two thirds aof the edible salt consumed and the market is growing at 9% (as per Nielsen, FY2018). The market continues to move towards a higher share of branded salt with the continuing awareness of better product quality and visible purity. Specialty salts like rock salt and black salt have increased presence in modern format stores.

Pulses

The pulses market in India is dominated by loose dal, which account for more than 99% of the ₹ 150,000 crore market. Tata Sampann is the only brand in the branded packaged pulses space. Growing appetite for branded products suggests huge potential in the segment. This year, pulses production saw a growth of around 20% over the last three-year's average. This has resulted in low prices throughout the year. The government has restricted imports and opened up exports of certain pulses. The besan market is estimated to be worth ₹ 23,000 crore and remains dominated by unbranded products.

Spices

The spices industry is highly fragmented and regional in nature with the consumers' taste palate changing across regions. Tata Sampann range of spices aims to set benchmarks through its superior product quality and differentiation by not using 'Spent' ingredients.

Additionally, the Company is creating and offering products catering to regional tastes. The Company's value proposition for spices includes unique packaging in multiple sachets for maintaining the freshness and guaranteeing a high percentage of active ingredients like Curcumin and Capsaicin for the pure spices offerings.

*Source - Salt Annual Report 2016-17 Salt Commissionerate, Government of India (trailing 3 year average)

Market segments

Category	Products	Brands
Salt	Vacuum evaporated salt, Rock salt, Black salt, Crystal salt Low sodium salt Double fortified salt Solar salt, Cooking soda Flavoured salt	Tata Salt Tata Salt Lite Tata Salt Plus I Shakti Flavoritz 
Pulses and besan	Unpolished dals - high protein dals range of 19 variants Besan - low oil absorb besan anda fine besan Organic dals range	Tata Sampann
Ready to cook mixes	Khichdi mix, multigrain chilla mix, pakoda mix, moong dal chilla mix	Tata Sampann
Spices	Pure spices, blended spices	Tata Sampann

Key revenue drivers of our CPB value chain

	Salt	Pulses, Besan	Spices
Raw material	Access to naturally evaporated brine at Mithapur I Shakti Salt from Tuticorin and Gandhidham	Purchase from locations with strict product specifications for superior quality	Sourced from farms where the climate is conducive to cultivating the best spices including turmeric from Salem and chilli from Guntur 30% of the product is sourced at harvest time
Processing and packing	Vacuum evaporation process at Mithapur plant, transit, and repacking at 28 CFAs across the country	Processing close to source for supply chain efficiencies	Processed in facilities certified by British Retail Consortium (BRC), Halal, United Kingdom Accreditation Service (UKAS), Sedex, Spices Board, and Food Safety and Standards Authority of India (FSSAI)
Logistics	Captive rake siding at Mithapur, a strong Carrying and Forwarding Agent (CFA) and road transport network ~98% rail coefficient	Transit from milling locations to CFAs via road	Transit from Cochin to CFAs via road
Distribution	Reaches 17.8 lakh retail outlets through a network of 43 distributors and 3,268 stockists	Available through modern stores, e-commerce, and Nutrikart	Direct reach to ~50% of salt outlets in operational states
Consumer	Reaches over 148 million households annually	Loyal consumer base and high brand recall	Phased launch in 16 states completed across North, East, and West India

Snapshot of the capitals

Financial capital
FY2018 Revenue for Vaccum and Iodised Salt - ₹ 1,275.47 crore

Manufactured capital
Production volume - Salt: 960,596 MT

Human capital
Number of on roll employees - 205
Number of off roll employees - 375

Intellectual capital
New products/innovation product stories - khichdi mix, multigrain chilla mix, moong chilla mix, organic pulses, powdered rock salt, spice variants.

Social capital
Number of stockists - 3,268
Number of CFAs - 25
Number of distributors - 43
Retail outlets coverage (direct+indirect) - 17.8 lakh
Number of households consuming products - 148 million

Value creation

With market leading brands in the salt, pulses, and spices segment, Tata Chemicals has privileged access into the kitchens of around 150 million Indian homes. Those intimate relationships with consumers on quality lend a position of trust, that is a foundation of our future growth in CPB.

We have access to rich sources of natural capital in the form of naturally evaporated brine at Mithapur in Gujarat, and salt from Thoothukudi in Tamil Nadu and Gandhidham in Gujarat. We source pulses, besan, and spices to strict specifications from locations across the country, to ensure the highest standards of quality.

Our processing and packing facilities are examples of responsible manufacturing. They are located close to the raw materials and tightly integrated into our supply chain. Our packing centres and partner-owned facilities for co-packing across the country, adhere to the highest standards. The best-in-class logistics and distribution networks we have built mean our products are available in a wide range of outlets. Our operations carry certifications such as International Organization of Standardization (ISO) and Occupational Health and Safety Assessment Series (OHSAS).

We have increased salt production by more than 40,000 MT to support the variants of value-added salts launched during the year. Our brands, Tata Salt, I Shakti, Flavoritz and Tata Sampann, are powerful and deliver on their promise. Impactful campaigns such as "Sawal kijiye apne namak se" and "Aaj ka masaledar sach" and innovations in packaging enable us to stand out in the competitive marketplace. This is reflected in consistently high equity scores for the brand across various surveys. We work closely with the Innovation Centre to apply our knowledge and develop new, healthy products. Preparing a future ready FMCG distribution network, focused on relevant channels, will lend a competitive advantage.

With an IT enabled backbone, the business is exploring opportunities in the digital space to connect with consumers, share product knowledge, understand consumer requirements, and improve operational efficiencies.

Key measures

	FY2017	FY2018
Tata Salt franchise market share in powdered salt segment	25.7%	25.5%
Tata Salt outlet reach	16.5 Lakh	17.8 Lakh
Customer satisfaction	Retailers 75	76
Employee engagement	62%	74%

Risks

- Aggressive competition from unorganised market, regional players, and private labels
- Changes in environmental norms in areas such as circular economy and recycling plastic waste, and other regulations
- Variable commodity prices

Opportunities

- Strengthening markets to grow the core portfolio – growth in micro market segments in salt and modern channels in Foods
- Addressing evolving consumer needs through new products and scaling them up, addressing different health dimensions through everyday foods
- Improving operational efficiencies through use of technology

Our sustainability-lead growth

Key material issues unique to CPB:

- Green manufacturing including energy and waste management
- Product stewardship to deliver excellence
- Sustainability, health, and environmental impact of the supply chain
- Community development

Key sustainability goals	Achievements
Development of recyclable packaging for Tata Salt	Successfully piloted in Delhi
Energy efficiency	Conversion of double conveyor/machine to single conveyor
Achieving 100% resolution of product quality complaints and highest standards of product stewardship	100% root cause analysis and resolution of product quality complaints
Safety incidents	2 lost workday cases (LWC) and 1 restricted workday case (RWC)

Future plans for each category

Salt

We will strengthen our position in markets to grow our portfolio base and increase penetration of products such as Tata Salt Lite, Tata Salt Plus, Black Salt and Rock Salt where demand is increasing through organised retail channels. New product launches will allow us to meet the evolving needs of urban consumers.

Spices

Marketing investments will scale up volumes of existing products to establish product superiority. We will also bring new products to identified white spaces within the spices market.

Pulses and besan

Our portfolio will expand with the introduction of value-added pulses and besan-based products. By investing in regional packaging centres and scaling up our direct to stockist model, we aim to increase the freshness of our products in the market. Our focus will be on modern retail formats and e-commerce, which is growing fast across India. Investments in brands will drive volumes.

New foods and mixes

We are exploring accelerated pilots such as organic to reduce the time to bring new products to market. We will accelerate new product launches under Tata Sampann in collaboration with partners like Star Bazaar and Amazon.

Consumer engagement

1. Consumer research

a. Segmentation studies
b. Usage and attitude studies

2. Product development

a. Consumer research programme for new product development
b. Consumer Focus Group Discussions (FGDs), quantitative and qualitative studies
c. Cooking observations

3. Consumer feedback and understanding

a. Brand track and awareness studies
b. Customer satisfaction surveys
c. Stockist meets
d. Retail audits
e. Market visits

4. Insights from consumer interaction (Junoon programme)

a. Consumer home visits
b. Product ideation and improvement
c. Retail visits

5. Nutrikart

Online sales to customers

Looking ahead

- Drive Thought Leadership through new and innovative products and platforms
- Scale up new launches with pan-India footprint expansion
- Continue strengthening distribution presence in relevant channels
- Accelerate brand investments, strengthen brand preference
- Expand the width of sourcing
- Scale up exports in countries with large Indian diaspora
- Explore higher cost efficiencies in supply chain

Transforming India's 'khichdi' cooking experience

Tata Sampann Multigrain Khichdi Mix is a new innovation that shines a light on the future of product development in the Consumer Products Business. Developed in record time, it was launched in both brick-and-mortar and online retail outlets. The product has received enthusiastic initial response across markets.

The classic Indian comfort food, khichdi, may be thought of as 'simple' but its preparation is time consuming. Historically, India's traditional food, it is gaining popularity across the globe.

We set for ourselves the objective of developing a product that was nutritious, convenient, and kept cooking time to a minimum. Our khichdi recipe includes a mix of grains with different cooking times, which posed to us an innovation challenge to achieve the perfect consistency without compromising on nutrition and convenience. The product team worked with our Innovation Centre and celebrity chef Sanjeev Kapoor. Their task was to formulate a recipe with parboiled millet to ensure all six grains were cooked in the same time.

New product development traditionally requires a 12-24 month time frame from idea to launch. Thanks to the application of agile methodologies, this new offering was ready in just 60 days.

The success of the project required a cross-functional team, rapid prototyping and iteration, and a relentless focus on execution. The project set a new benchmark within the Company for new product development.

Tata Sampann Multigrain Khichdi Mix was launched exclusively through online retailer Amazon and Star Bazaar stores. It ranked no. 1 in its category at the online store in its first week and sold out within the first 15 days.

Tata Chemicals will continue to invest in differentiated products with the core promise of nourishment and taste. Through the khichdi experience, our team has defined the path forward towards a more collaborative and agile development process that is led by cross-functional teams with project management excellence at its heart.

A lot of effort went into making this traditional comfort food simple to make.

Launched as a limited edition pack - Online on Amazon India and Offline in Star Bazaar stores

amazon.in

Ranked No. 1 in the ready mixes category in the first week of its launch on Amazon

STAR Bazaar

Sold out at Mumbai's Star Bazaar Stores within the first 2 weeks

Featured in the top 10 percentile in the mixes category with steady growth in sales

Paved the way for a new genre of mini-meals in the ready-mix category

An innovation precedent

Simplicity in process

- Achieved concept establishment to market placement in 60 days
- Executed in an agile way with discipline in project management
- Saved opportunity cost and benefitted from first mover advantage

Simple and differentiated product

- Created a balanced quick to cook recipe with a chef who people trust
- Delivered the core promise of nourishment and taste in a perfect balance
- Tailored to consumer preferences

Successful change management

- Exhibited doer mind-set
- Collaboration
- Imbibed a strong sense of ownership of project deliverables

Connecting for success

Our chemicals business is building on firm foundations laid down over nearly eight decades to forge a new journey of growth. Its strategy is to pursue volume growth where appropriate and grow value by getting even closer to customers with a slew of value-added, branded products.

Our business environment

Global markets are characterised by sea and land borne trade of soda ash and sodium bicarbonate, the key products for the Global Chemicals Business (GCB). Manufactured primarily in China, the EU, USA, Turkey, and India, these products are consumed in a variety of applications.

Our manufacturing sites are located in regions abundant with salt and limestone or natural trona, the key raw materials for the products. We expect a challenging global soda ash environment in the coming year. Soda ash prices in Europe may reduce due to significant capacity added in Turkey. Prices in China, which saw some correction in 2017, have firmed up and are likely to be in a narrow band of about $40. In India, healthy GDP growth and low per capita consumption has helped us operate successfully in extremely competitive markets with imports coming from all the major soda ash and sodium bicarbonate producers.

We also expect a difficult domestic soda ash market in the next year. An additional 0.625 million tons per annum (MTPA) capacity may come on-stream. A 5% increase in soda ash demand may marginally reduce the share of imports, with Europe strengthening its position as the key exporter and China losing its significance. Despite the challenging scenario, we project a marginal increase in our realisation. At the same, we see a rise in variable costs resulting from higher fuel costs.

Brand	Category	Segments	Customers
Pharmakarb Medikarb Sodakarb Alkakarb Dessikarb Hemokarb Briskarb	Bicarb	Pharma (US Pharmacopeia and British Pharmacopeia) Pharmaceutical (Indian Pharmacopeia) Food Animal and poultry feed Food grade dust Explosion suppressant Haemo Dialysis Flue Gas Treatment	Sodium bicarbonate is used in many industries including food and animal feed production, dyes, intermediaries leather, and jaggery. It also has pharmaceutical and haemodialysis applications.
DetMate	Soda ash	Detergent	Businesses
Dense soda ash Light soda ash	Soda ash	Flat glass - construction and housing; commercial, office and retail space; and automotive sector Container Glass - soft drinks, Beer, Indian made Foreign liquor, Pharmaceuticals, tableware, glass etc. Detergents Chemicals - sodium bi carbonate, sodium silicates, other chemicals Dyes and intermediaries	Flat glass is used in construction and automotive industries. Container glass used in the drinks, pharmaceuticals, and tableware sectors. It is a key input to detergents, and other chemicals manufacture.
Tata Shudh	Cement	Construction	Individual house owner, small builders, retail
Magadi moore brands	Salt	Industries, animal feed application	Households, industrial customers
Crushed refined soda	Crushed refined soda	Sodium silicates, animal feed and poultry feed	Industrial customers
Caustic soda	Caustic soda	Paper, textiles, dyes, chemicals	Industrial customers

Key revenue drivers of our chemicals business value chain

- Strong customer connect and loyalty
- Long-term mutually beneficial contracts with customers
- Reliable supply chain
- Supply assurance via solutions such as vendor managed inventory
- Competitive and value-based pricing
- Consistent high product quality
- Industry innovation leader with several pioneering initiatives

Value creation

Tata Chemicals serves the needs of customers globally, providing inorganic chemicals from world-class manufacturing facilities in four continents. All operations have a long-standing focus on manufacturing excellence and continuous improvement processes such as Lean Six Sigma. This means they maintain positions as low cost producers, offer competitive and value-based pricing in the highly cost competitive soda ash and sodium bicarbonate segments. Consistent high product quality world-class service levels, customised solutions and excellent customer relationships are the foundation of our customer contracts. Proven procedures exist, including the mobility of skilled people, to share knowledge and best practice between locations.

We are an industry innovation leader. We work closely with our Innovation Centre to take innovative ideas, bench-test, and develop viable business propositions to meet customer requirements. Service innovations such as the recently introduced customer relationship management portal **ChemConnect,** is an example of innovation in customer engagement. Currently available to 2,500 customers and all distributors in India, it will be made available to customers in other regions. The portal has enabled digitisation of key steps in the customer journey including order booking. More than 90% orders by channel customers are now placed through it. Our connectivity with customers has improved. It allows us to gather and act on data-driven insights about product and service needs. This increases accessibility, transparency, and makes our response to customer needs more agile.

Product innovations include **Magadi Moore Nyama** and **Magadi Moore Maziwa** the salt and crushed refined soda for animal feed, **Medikarb**, India's first branded pharmaceutical grade sodium bicarbonate, and **DetMate**, the coloured soda ash speckles. We have pioneered high quality technical salt used in detergent and textile applications. Tata Salt is being targeted at the Indian diaspora in the UK. Other product innovations include **de-icing salt granulite** packed in a newly designed 10kg bag as a quality product for shops and supermarkets in the UK, and high purity technical salt developed to service textile, detergents and other industrial applications in the UK, EU and global markets. Supply chain innovations include bulker and coastal shipping and internet-based vendor managed inventory.

We are investing in data analytics to achieve process optimisation in site operations. Using data analytics for process optimisation, modern lime kilns, and MVR technology for VE salt have defined our site innovations. We launched a wide range of electrical, mechanical, and technical projects at Middlewich Salt to improve reliability of process and implemented training and competency programme at Middlewich Salt Mechanical.

Snapshot of the capitals

Financial capital
Approx. impact on sectors:
Detergents: 8-10%
Float glass: 4%
Mining: 22%
Paper: 18%
Metal:16%

Manufactured capital
Production:
Soda Ash: 38,57,807 MT
Bicarb: 2,12,785 MT
Cement: 5,00,424 MT
Salt: 14,22,761 MT
Crushed Refined Soda: 5,48,657 MT
Others: 26,788 MT
Real estate leased: 1,24,281 acres

Human capital
Employees
Direct: 2,763
Indirect: 3,145

Intellectual capital
Industry-first innovations namely ChemConnect and transport of product using bulkers and value-added product variants; Medikarb, Crushed Refined Soda (CRS) in livestock

Social and relationship capital
Depots: 43
Customers consuming products (direct/indirect):
Households: 50,48,804
Companies: 4,759

Natural capital
Production of cement from soda ash by-product.
Access to natural wealth of salt, trona, natural soda ash.

Lake Magadi in Kenya's Rift Valley is an abundant source of salt and trona, two vital natural capitals. It is one of the few places on the planet where trona is to be found on the earth's surface.

Photo credits: Stephen Kamau

Stakeholder engagement

We are realigning the organisation structure by directionally moving to make our employees at the Chemicals Business Unit more globally aligned for a lean, agile, and cost efficient culture. ChemConnect is helping us increase our customer engagement by impacting real time accessibility, direct engagement, and better service levels.

Innovation leader with industry firsts

ChemConnect
is our innovative Business to Business (B2B) customer relationship management system connecting 2500+ customers to Tata Chemicals.

Back office system
We established a back office system to support our customers with order booking, banking queries, and a host of other information.

Bulk dispatch
On a mission to go green, we use bulkers to transport our product. This helps us eliminate the use of plastics for packaging and reduce our carbon footprint.

Value-added product variants
We push product innovation by offering value-added product variants. Medikarb™, a pharmaceutical-grade sodium bicarbonate, with its applications as an active pharmaceutical ingredient is a good example.

Our sustainability led growth

- Reusing low grade bicarb, soda ash, hazardous waste ash and lime by sending to third parties for recycling, reuse, and disposal.
- All soda ash produced at TCNA leaves the facility on rail cars thus reducing the need for packing materials.
- Expanding Mithapur bicarb capacity with recovered carbon dioxide.
Read more on page 27.

Risks

- Rising cost of energy
- More stringent environmental norms
- Volatility in Chinese soda ash supply/ demand dynamics
- Increasing fixed costs

Opportunities

- Lean six sigma process to identify and improve productivity and cost control mechanisms. Controlling variable costs including fuel, salt, limestone through raw material securitisation and continuous improvement programs.
- Adhering to new regulations proactively with innovative solutions like (Carbon Dioxide) CO_2 capture, and nano filtration.
- Expanding capacity in soda ash and other product lines, including Salt, cement, sodium bicarbonate and bromine.
- Increasing value-added products and sustainable supply chain practices like bulk material.
- Using technology to make processes simpler for customers and internal stakeholders in the digital age.
- Continuing focus on keeping fixed costs low.
- Enhancing ease of doing business, customer partnerships around themes of innovation, and sustainability for stronger customer connect.
- Broad-basing application for mineral reserves such as trona and CRS in the gas treatment, animal feed, poultry feed to expand market and reduce unit fixed cost implication.

Looking ahead

- Establish market presence swiftly
- Enjoy first-mover advantage before the entry of other established players
- Convert parts of the existing bicarb to pharma grade through an identified contract manufacturer
- Boost customer engagement with ChemConnect

Global chemicals business

- Sustainable market leadership
- Cost competitive manufacturing
- Plant and capacity enhancement
- Investment in greenfield projects
- Development of value-added products
- More innovation in new product application such as Medikarb

Magadi taps salt for animal feed exports

Tata Chemicals Magadi (TCM) is transforming its product portfolio with new salt applications. It has created a new market in Kenya's agricultural sector with two animal feed brands and is now expanding into international markets.

Salt is an abundant but largely untapped resource at Magadi. Magadi Moore Nyama and Magadi Moore Maziwa, are part of a policy to find new markets for fortified salt. Trona from the lake is mined and refined to produce soda ash, which is exported to markets across the world. Salt is a natural asset that has historically been underexploited. A diversification project has borne fruit in the past year as export sales of animal feedstock made from crushed refined soda have taken off.

Cattle and sheep sweat prolifically in Kenya's hot, arid climate. As a result, they lose salt and valuable minerals. By replenishing lost minerals, the new fortified feedstock improves the health and well-being of livestock. They reduce the prevalence of disease and increase milk and meat production. Farmers see an increase in the value of their animals.

Originally tested in Kenya, the products are now being marketed and sold in the USA, the world's fourth largest livestock market. They have been modified to meet Food and Drug Administration (FDA) regulations that demand lower fluoride content.

TCM implemented a shallow trona mining plan and resuscitated part of the mothballed premium ash plant at Magadi. The transshipment facility at Kagiado en route to Mombasa was revived. Marketing teams have worked hard to build the brand and customers were welcomed to see the facility at Lake Magadi. In 2017-18, sales more than doubled to 40,000 MT.

The feedstock has been pushed to customer segments unfamiliar with the Magadi brand through a mix of campaigns including extensive radio advertising. The country's largest dairy farm is among those that have endorsed the products.

Challenges and dynamics

Optimum equipment is required to meet the required volumes in time for shipment.

Quality requirements are high and we have had to modify the process to include drying, crushing, and screening of the product to attain the strict particle size requirement.

We have to overcome logistical challenges to seamlessly move product from Magadi factory to the Mombasa shipping shed without affecting the mainstream product transfers of salt and soda ash.

Snapshot of the capitals

Natural capital
The existing natural resource of salt to which we have preferential access while requiring little additional manufacturing investment.

Manufacturing capital
The manufacturing asset of our premium soda ash plant at Magadi.

Human capital
Our marketing team in Magadi embarked on a rigorous product marketing assignment aimed at building new markets for the product.

Intellectual capital
Our Magadi team invested in its marketing and sales capabilities and became an expert in branding new products. We worked in collaboration with the marketing teams in India and South Africa.

Financial capital
Required to develop a new product and bring it to market.

Relationship capital
Our strong brand and heritage.

Key milestones and achievements

Customer satisfaction on samples of shallow mined crushed refined soda.

Following successful completion of an initial trial order, large orders were subsequently shipped to a USA-based customer in February 2018. Shipments are expected to increase significantly by December 2018.

Tata Chemicals Magadi has been certified for its Good Manufacturing Practices a requirement for animal feed imports into Europe.

Mithapur expansion to meet pharmaceutical bicarb demand

New plant will meet export standards for US and European markets

Tata Chemicals' sodium bicarbonate capacity at Mithapur will increase by almost one third, when a new world-class pharmaceutical grade plant comes onstream in late 2019. It is part of our strategy to maintain volume market share in India and increase value-added branded share in a market driven by strong macroeconomic and demographic trends.

The new capacity will support our recently launched Medikarb product, a pharma grade sodium bicarbonate that is subject to regulations with state Food & Drug Administration and Central Drug Standard Control Organization. Of all the applications of sodium bicarbonate, pharma applications in excipients, formulations, and haemodialysis concentrates require the highest purity and hence command the highest realisations.

We currently produce more than 100,000 MTPA across four categories technical, refined, Alkakarb (animal feed) and Sodakarb (food grade).

Currently, demand in India for pharma grade sodium bicarbonate is being met largely by reprocessing and repackaging of industrial grade and food grade products. Customers in the country's rapidly growing pharmaceutical industry are demanding high quality products from certified facilities. Regulations are also likely to tighten and come closer to the standards that exist in the European and US markets. Products meeting these stringent standards will find additional opportunities in the export markets.

The new plant with a proposed expansion of bicarb capacity of 28,000 MTPA will use recovered carbon dioxide from existing carbonating tower vents. This carbon dioxide recovery will be another pioneering step towards sustainability driven growth.

To achieve this 'value from waste' strategy and reduce our carbon footprint scientists from the Innovation Centre in Pune are working closely with the manufacturing team from Mithapur, and colleagues in Cheshire for carbon dioxide recovery in their respective plants. An investment of ₹ 100 crore is expected for this.

Looking ahead

- Swiftly establish market presence
- Enjoy first-mover advantage
- Convert parts of the existing sodium bicarbonate to pharma grade through an identified contract manufacturer under TCL's direct supervision duly validated by the Innovation Centre and the Mithapur technical services team.

Boosting the nation's health with new nutraceutical products

Changing lifestyles and consumer health habits in India are creating exciting demand for a range of new food products. These sit at the intersection of markets traditionally served by FMCG and pharmaceutical companies. This fast growing world of 'nutraceuticals' is a hotbed of innovation. We are applying innovative food science, combined with our traditional strengths in consumer products, to create offerings that provide the healthy and tasty missing nutrients to bolster the diets of Indians.

Our business environment

The Indian diet has historically lacked certain micronutrients. This was not a concern for many years until now. Current times have seen significant changes in lifestyles, food requirements, and subsequent adverse effects on overall well-being. Complete lack of exercise is not uncommon. This has led to a rise in ailments arising out of deficiencies and poor nutrition.

The environment is ripe to understand and address nutritional needs and deficiencies through food formats. And to that effect, we can already see interesting trends in market. The traditional pharmaceutical companies are exploring opportunities in food and typical FMCG companies are moving towards functional foods with health benefits. Hence, the birth of the fast moving health goods (FMHG) segment, worldwide known as Nutraceuticals. More and more companies from pharmaceuticals, over the counter (OTC) and FMCG are entering into this high growth segment.

According to a study jointly undertaken by Assocham and market researcher RNCOS, Indian nutraceuticals market is expected to reach $8.5 billion by 2022 from $2.8 billion in 2015. In 2015, India accounted for a share of around 2% of the global market and is anticipated to increase to a value of approximately 3%. This is owing to country's large population base, increasing urban belt and awareness. While dietary supplements segment accounted for 65% percent of Indian nutraceuticals market in 2015, the remaining 35% was occupied by functional food and beverages. Indian nutraceuticals industry is one of the rapid growing markets in Asia Pacific Region (APAC), anticipated to grow at CAGR 12%.

Tata Nx is Tata Chemicals' foray into Indian nutraceuticals for retail. Tata Nx promises to deliver nutrition in its best form; backed by science; to fulfill the daily nutrition needs of today's fast paced lifestyle of our consumer Its aspirational market share stands at 8% (functional food and vitamins/probiotics market). The sweetener category is about ₹ 550 crore which opens a huge opportunity for Tata Nx Zero Sugar to claim the natural sweetener space. The shift from sugar may still be years away but we can see a trend towards low calorie and natural sweetener

Brands, products, market segments, and customer

Our current offering is Tata Nx Zero Sugar which is a 100% natural sweetener with low glycaemic index. It is best suited for people who have been advised to avoid sugar and for people who are calorie conscious. Tata Nx Zero Sugar was awarded the Ayush Kamal Ratna for India's Best Natural Sweetener in April 2017.

At its inception, Tata Nx is targeting the new age ambitious 25-55 year-old young Indians who require food that provides nourishment every day. In the long run, we strive to create a one-stop solution for all nutritional needs of an Indian consumer across age groups and lifestyles.

We will be present in segments like sweeteners, functional foods, pre/probiotics with differentiated science-backed offering.

Key revenue drivers of our value chain

- New product launches
- Distribution reach
- Brand salience - leveraging the trust that comes with being a Tata product and linking it to innovation and science
- Stores visibility
- Trials and awareness creation

Value creation

Tata Nx uses its access to a number of capitals to meet the emerging needs of Indian consumers seeking to improve their health and nutrition level. It combines the intellectual capital assets of Tata Chemicals' Innovation Centre with the human capital and knowledge resources of our established Consumer Products Business and its deep reach into the Indian food retail sector. We have a young and energetic team that understands the market. The social and relationship capital that comes from our intimate understanding of Indian consumers works alongside the financial resources that come from a being part of the Tata group. By combining these assets we have been able to create, bring to market, and commercialise new and innovative products.

Scientists and food technologists at the Innovation Centre are working on new food formats that supplement regular diet with missing micronutrients. Their objective is to look and solve health problems from a nutrition-based rather than medicine-dependent standpoint. They use agile approaches to rapidly prototype and test new products and bring them to market at speed. Consumer is at the centre throughout the development cycle.

Manufacturing is currently managed by trusted and well qualified partners as we invest in and build captive capacity. For supply chain, packaging, and distribution we rely on the expertise of our highly experienced colleagues in the Consumer Products Business. Together we capitalise on the vast reach we have through our established salt, pulses, and spices brands to ensure that Tata Nx products are available in the places where our target customer group shops regularly.

Tata Nx portfolio has a common underlying product promise of being100% bioeasy. Bioeasy embodies the Tata Nx product attributes that provide the next level of nutritional solutions for a healthy life. Our target consumer group is the 25-55 year-old, ambitious, well-informed and increasingly aware of health and wellness issues. It demands high quality products from a trusted source making the Tata name a valuable asset.

Snapshot of the capitals

Financial capital
We have set a target of ~₹1.8 crore through sweeteners an functional foods in FY2019.

Manufactured capital
We have partnered with leading 2P manufacturers for sweeteners and functional foods. This enables us to keep our model lean and agile. Launch production for Zero Sugar is 2.2 tonnes. Production plan for functional food is yet to be finalised.

Human capital
Our business team comprises five members. They work alongside scientists at the Innovation Centre SMEs in CPB.

Social capital
We are currently using CPB's extensive supply chain and distribution network to ensure availability and reach. We are looking at an aspirational market share of 8% (functional food and vitamins/probiotics market) by 2028. The Nx division shares the distribution channel with Consumer Products Business.

Intellectual capital
With low glycemic index (GI), Zero Sugar is an ideal sweetener for people with sugar ailments. In 2017 it was named India's Best Natural Sweetener in the Swadeshi National Awards. Our portfolio will contain science backed, IP protected offerings.

Natural capital
Zero Sugar is 100% natural made from lactose, steviol gycosides and a fruit extract. Lactose is all natural milk sugar comprising of glucose and galactose. Stevia is a herb that has been used globally as a natural sweetener for several decades.

Stakeholder engagement

We have designed a customer care process to consistently address customer queries. It will mirror existing customer care process for Tata Salt and Tata Sampann. We will address product replacements through our vast network of sales field force.

Risks and opportunities

Risks: Product safety is a risk for any food producer. We work continuously with regulatory authorities to ensure our products go beyond compliance standards. We appreciate that because 'nutraceuticals' is an emerging category, regulations are still developing and we need to be abreast of incoming changes in regulations.

Opportunities: Tata Nx sees great potential in the market for 'super foods', products with no/low sugar content, 100% natural offerings, products that offer weight management, stress management, and boost immunity. We will grow by tapping this potential and provide customised offerings to address specific need states. After a gestation period, we plan to address kids segment as well.

Sustainability led growth

In early stages, we are starting with 2P partners with robust quality management systems in place. This allows us to be agile and lean and develop an asset light model. In choosing our partners we evaluate their financial robustness and technical capabilities.

Because the nutraceuticals industry is still evolving, we will ensure that our consumers grow along with us. We will help them understand their nutritional needs as we serve them through customised products.

Five-year strategy

We will relaunch Zero Sugar in early July. Based on the feedback received from the pilot launch, our team is revising the pricing and packaging. We are also working on differentiated concepts in functional foods. Sugar variants, supplements based on proteins, vitamins, minerals are in the pipeline. We are working with some of the best labs in the country to develop innovative offerings.

Key performance indicators

- Number of products developed - sweeteners and functional food powders (FY2019)
- Topline ₹ 1.8 crore (FY2019)
- Consumer acceptance of innovative formats - FGDs and market feedback
- Brand equity - Tata Nx believes that it can be a nutritional solution provider that helps bridge the nutritional need gap with the consumer, helping them lead active healthy lifestyles
- Safety - will comply to the FSSAI on safe food manufacture and sale

Looking ahead

Grow Tata Nx into a ₹ 2000 crore business by 2028 with a rich portfolio of science-based products to cater to different need states of Indian consumers.

Understand the key need states of the consumers and offer nutritional bundles in different food formats wherein the main focus will be on taste with the product promise of being 100% Bioeasy.

Build a strong brand equity in the minds of the consumers as being the Nx level of nutritional partner.

Strengthen our idea bank and work with leading partners in health and nutrition.

Leverage identified strategic partners for innovation, IP creation, and manufacturing.

Get the product right at the outset with significant support from the subject matter expertise of our peers at Consumer Products business.

Develop stringent action standards for science-based differentiation.

Become a one-stop solution for Indian family's nutritional needs.

Zero sugar - the 100% natural sweetener

India is home to 65 million confirmed diabetes patients with another 30 million in the pre-diabetes group. Obesity as a lifestyle disease is slowly gripping our population. Indian men and women occupied the 5th and 3rd rank respectively for obesity in the world in 2014. The statistics demand a lifestyle overhaul from the Indian population to stay healthy.

With increasing awareness of such health risks and ailments, people are becoming conscious and making attempts to reduce their sugar intake. They are seeking out healthy alternatives to sugar including sweetener Rising incomes also mean that people are willing to pay a premium for better and healthy products.

These factors have created significant opportunities for the growth of India's nutraceuticals sector – a mix of nutrition and pharmaceuticals. This sector is focused on science-based nutrition. Tata Nx, Tata Chemicals' foray into nutraceuticals in retail space, is seizing this opportunity. Tata Nx aims to deliver on our 100% Bioeasy promise- next level of nutritional solutions for a healthy life. We want consumers to view health as nutrition-based and not medicine-based, and innovation in food science is helping us deliver this promise.

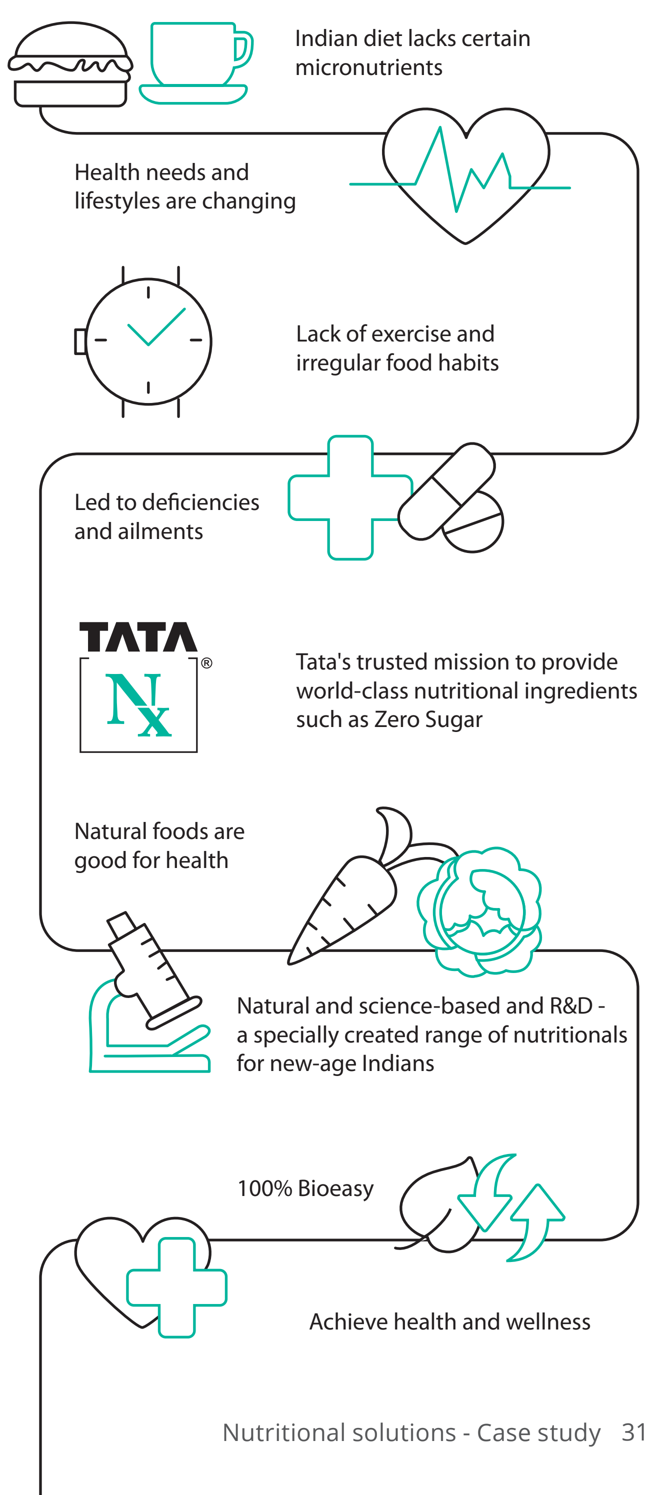
Tata Nx Zero Sugar is one such offering. A one of a kind, non-artificial sugar substitute made from natural extract of stevia. It has low GI, which makes it an ideal sweetener for people who have been advised to reduce their sugar intake or avoid sugar. The herb stevia has been globally used as a natural sweetener for several decades. It is 100% natural, with no calories, and is 300 times sweeter than sugar.

Tata Nx Zero Sugar was awarded the Ayush Kamal Ratna for India's Best Natural Sweetener in Swadeshi National Award ceremony in April 2017.

Awaiting relaunch in July 2018, Zero Sugar will be available in modern trade stores in select cities and Amazon.

Through products such as Tata Nx Zero Sugar, we will continue to provide products that people shall trust - an important building block of the Tata Empire.

Tata Zero Sugar Proposition



Ingredients for wellness

Snapshot of the capitals

Financial capital
Committed ₹ 270 crore for scale up to build a brand new greenfield facility at Nellore, Andhra Pradesh.

Human capital
Employees - 54
Contract - 19
Skill sets augmented in specialised areas
Fermentation technology, quality assurance, global regulatory, application-based selling, food technology experts.

Intellectual capital
Food science know-how - Repository of food innovations with prebiotics built - e.g. low calorie ice creams, Good for Gut cookies, 'Concept to Claim' support for customers.

Social and relationship capital
We meet customer requirement through a mix of direct engagements customers and distributors. We serve 600+ customers in 105 cities with a network of 5 distributors and multiple trade partners.

Manufactured capital
Plant capacity at Sriperumbudur: 700 MTPA*
Manufacturing plant of Prebiotics - 11 acres; Gross assets of ₹ 52 crore till FY2018
Nellore: Planned capacity of 5,000 MTPA; Greenfield project under construction for manufacturing plant of prebiotics; Total area - 40 acres

*Equivalent capacities considering all grades of FOS

Our business model

Consumers nationally and internationally are looking for natural, convenient, safe, and effective foods and supplements that support their lifestyle and deliver adequate nutrition. At Tata NQ, we are committed to providing innovative and science-backed nutritional ingredients and formulations in the areas of gut microbiota modulation and personalised health solutions.

Over the past few years, we have invested in building infrastructure and capabilities. Having stabilized our operations at the greenfield plant at Sriperumbudur, Tamil Nadu, in the last two years, we have committed ₹ 270 crore for scale up to build a brand new greenfield facility at Nellore, Andhra Pradesh. The team today is well-endowed with biotechnologists, process specialists, food tech and application experts who work on various aspects to make available the right product of right grade to the customer.

Brand	Product	Market segment	Customers
Fossence™	Fructo-Oligosaccharide (FOS)	Food and beverage, nutraceutical formulations, animal feed	Wellness Food & Beverages: For fibre addition and sugar reduction - Application in bakery, dairy, Indian sweets Nutritional applications: Health drink supplements, infant foods, sports nutrition and therapeutic applications Animal Feed: New segment introduced in FY2018 Part of feed for aqua, poultry and pet
Gossence™	Galacto-Oligosaccharide (GOS)	Infant and dairy products	Infant food players Nutritional supplements

Growing our capabilities

We are focused on adding value to customers via - investing in science to enable better claims on products, creating IP in the process; product conceptualisation with customer partnerships. The Innovations Centers' Association with external partners and academic institutes such as Yale University is playing a crucial role in building capabilities.

Looking ahead

- Explore market expansion outside India as the markets for functional foods and nutraceuticals grows rapidly
- Sharpen our differentiated product offerings through consistent innovation and emerging customer requirements
- Capitalise on products in areas of high consumer demand and emerging areas of scientific focus such as gut microbiome to offer multiple products including fermentation, gut health, and personalised nutrition
- Prepare to face global competition and stringent regulations.

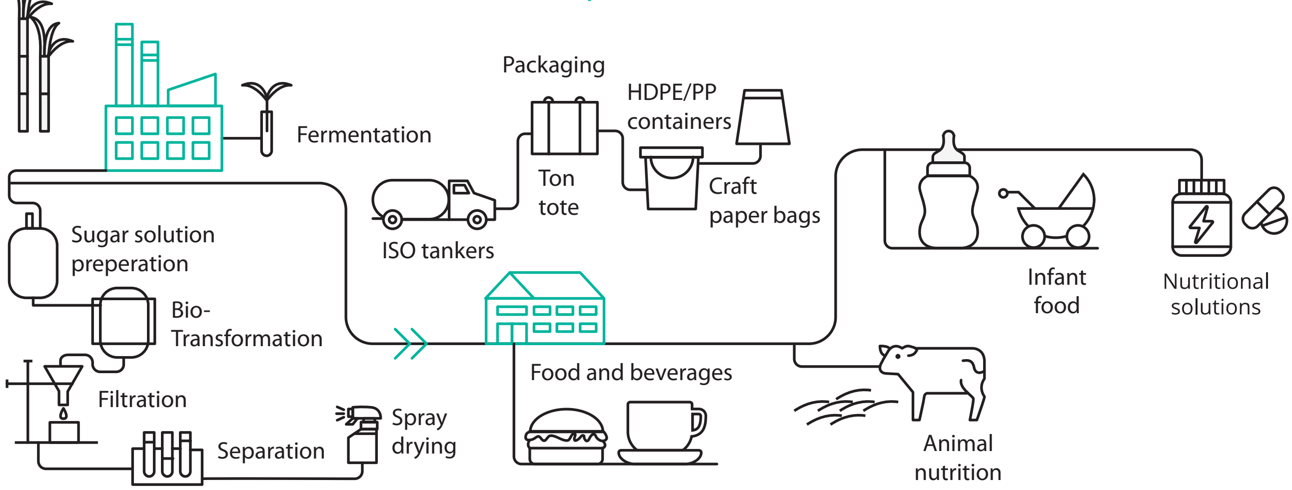
Taking care of the digestive system

Did you know that there are 30 trillion cells in an average human body? Oh, by the way, you also house an additional 100 trillion microbial cells - mostly in the gut - which play a crucial role in your overall wellbeing. Tata NQ is here to help you take care of them.

Targeted at improving gut and digestive health, Fossence™ [FOS-FructoOligosaccharides] enhances the growth of healthy bacteria in the gut. The resultant growth in beneficial micro-flora aids in improved immunity, enhanced calcium and magnesium absorbption, better weight management and promoting general well-being.

The product finds wide application in functional foods and beverages such as bakery, sweets, and confectionaries. It is also used in nutritional formulations such as health drinks and dietary supplements. We are actively working with our Innovation Centre colleagues at Pune to further our understanding of the gut health and develop interesting product concepts. Our international publications related to this field of study and our collaboration with Yale University are testimony to these efforts.

Value process chain



Bolstering our infrastructure

Having stabilised our operations at the greenfield plant at Sriperumbudur, Tamil Nadu over the past two years, we are ready to take the next big step towards augmenting our infrastructure with a world-class 5,000 MTPA manufacturing plant of prebiotics (FOS & GOS) at Nellore, Andhra Pradesh, India. With a committed capital outlay of ₹ 270 crore, the new plant will be a highly automated good manufacturing process (GMP) certified manufacturing facility spread over an area of 40 acres. Quality has been kept at the core of it all - from the design philosophy to the choice of equipment and control systems. The construction is on schedule with commissioning planned by March 2019.

Rallis puts technology in the field

Rallis, the agri-solutions subsidiary of Tata Chemicals, is doing things differently. It is using technology to provide precision agricultural solutions of the future. Artificial Intelligence (AI), one of the industrial 4.0 technologies, is its primary comrade.

Rallis is employing digital in agriculture extremely well. Project Dhristi is the state-of-the-art digital pest and disease-forecasting system that uses advanced analytics and Artificial Intelligence. The system uses historical, current and forecasted weather data and high-resolution remote sensing satellite-based spectral images. It identifies the crop and crop stage; forecast the current and projected crop health, soil moisture, nutrient index, plant stress and likely pest and diseases. These valuable insights are then bundled along with Rallis Proprietary Package of Practices (PoP) to provide a Predictive agri-advisory to the farmer community.

Rallis along with Group Technology and Innovation Office (GTIO) has also been piloting the use of drones for crop protection. Commercial drone with custom modifications to enable them to carry heavy payloads of pesticide spray solutions were engineered. Several successful pilots have been completed and the results being utilised to further improve the overall system. This initiative has immense potential and is being seen as a value-added service for farmers in the future.

Having access to data of this scale gives it the ability to further advise farmers on their agricultural inputs. Changes in nitrogen levels or carbon content within the soil are good examples. They are precisely identified and subsequent solutions are suggested to the farmers. Benefits range from reduction of excess fertiliser and pesticide usage to preventing yield losses thereby increasing it. Personalised advisory, alerts, and assistance can then be provided to the farmers.

Rallis' approach toward business is all-inclusive. Not only does it manufacture agricultural inputs but also provides support services. From the Company's point of view, these technologies have leaped it further in the race. The data at its disposal helps it greatly in taking pertinent decisions around the operations strategy. If the conditions are suitable for pest attacks, it can increase the production level of pesticides, and if the conditions are otherwise, it can move the product to a different market. Based on conditions, it can make a decision to mobilise or manufacture.

Rallis has embarked upon a digital and cultural transformation journey to give its agro-business a boost and deliver its customer promise. It is in the early stages but the opportunities are endless.

Developing superior seeds

Metahelix is the wholly owned subsidiary of Rallis India Limited. The Bengaluru based agricultural biotechnology Company develops traits and technologies for crop protection and improved productivity. It creates and commercialises high-quality hybrid seeds. Metahelix's Dhaanya Seeds is emerging as a household name among millions of India's farmers. Seen as an innovator, Metahelix consistently develops and delivers new hybrids.

With a diverse portfolio of crops including rice, maize, pearl millet, cotton, and vegetables, Metahelix recognises that rice hybridisation is relatively low due to various factors. Taking up this challenge, the Company is persistently developing newer rice hybrids to address varied culinary preferences. Today, hybrid rice forms nearly one third of its revenue.

In 2013, Metahelix launched MC-13, India's first ever hybrid bold rice. Bold grain rice segment represents one fourth of the country's rice grown area. It is unique - being the only segment that is used in processed foods such as rice flakes, pop rice, idli, dosa, and namkeens apart from direct consumption as steamed rice. This path breaking innovation was awarded the Tata Innovista Global Award in 2015. Today, small and medium land holding farmers growing hybrid rice across the rice belt of India are demanding significant volumes of MC-13 seeds. During the year, it achieved nearly 100% volume growth – an important milestone for a new product launched five years back.

Continuing to march ahead with it slogan धन बोले तो धान्या Metahelix also launched a hybrid in the fine rice segment branded as MR 8666.

Transforming lives through innovation

Innovation is an integral part of TCL's culture. Our innovation efforts cover products, processes, and technology in the areas of food, energy and environment, and water and wellness.

Our Innovation Centres

- Tata Chemicals Innovation Centre (IC), Pune
- Rallis Innovation Chemistry Hub (RICH), Bengaluru
- Metahelix Life Sciences, Bengaluru
- Tata Chemicals R&D Centre, Mithapur

Innovation statistics

Particulars of intellectual capital	Patents filed	Patents granted	Research professionals/scientists
IC Pune	81	19	47
RICH	29	14	44
Metahelix	9	7	112
Total	119	40	203

A multi-disciplinary, scientific approach to problem solving

The Company established the Innovation Centre to undertake research in applied sciences to seed new businesses and support existing ones. The Centre works with business units in the nutritional solutions, chemicals, and consumer products fields. It uses a multi-disciplinary scientific approach to develop products and services.

During the year, the Innovation Centre developed significant additional capability in food science and technology. The R&D efforts in this area led to development of new products such as pulse based mixes and multi-grain khichdi, which deliver convenience and nutrition. The Centre also supported the development of technology for the manufacture of pharmaceutical-grade sodium bicarbonate.

Scientists and food technologists in Pune are also working with the nutritional solutions business to provide access to customised nutrition to meet specific health needs. They use agile approaches to rapidly prototype and test new products and bring them to market at speed.

A combination of multiple scientific disciplines, a customer-centric approach, and scientific problem-solving sets the Innovation Centre apart from other research facilities.

The Rallis Innovation Chemistry Hub develops new solutions to improve farmers' income and enables expansion in contract manufacturing.

Metahelix Life Sciences Limited works in the area of agricultural biotechnology. It uses technology to improve crop traits.

Developing new hybrids and seeking protection for them under the Protection of Plant Varieties and Farmers' Rights Act

	Maize	Cotton	Rice	Pearl millet	Vegetables	Granted
New	13	2	0	11	2	0
Extant notified	0	0	1	2	0	3
Extant variety of common knowledge	0	0	0	2	2	0
Total	13	2	1	15	4	3

Tata Chemicals believes in nurturing a culture of innovation within the organisation and has initiated several platforms such as All Ideas Matter, Tata Innoverse, Metahelix Innomall and Simpli5 that leverage operational excellence. These focus on innovation at individual and team level. Several innovative ideas stem from these platforms and are initiated as projects during the year. The Company's innovation centres along with the R&D facility in Mithapur constantly work towards process innovation, and also explore synergies with several group companies, and other multinational businesses, to provide innovative solutions for products and technology.

Presently, the innovation centres have a total of 81 active patents out of which 19 have been granted. In FY2018 we filed 11 new patent applications in food and nutrition and advanced materials science.

Making sustainable silica-based tyres, the Tata Chemicals way!

India is one of the largest producers of rice in the world. Rice husk, its agricultural residue, is therefore available abundantly in the country. The rice husk generated contains both organic and inorganic matter. The composition is 75% of cellulose, hemi cellulose, lignin, and 25% of silica with small portions of alkalis. Rice husks are generally used to fuel the rice mill boilers and provide a source of heat energy during the rice milling. Post burning, rice husk generates ash known as rice husk ash (RHA).

RHA disposal poses an environmental challenge in India. Currently, its disposal includes landfills and to a very small extent in brick making.

But the RHA generated, contains 80 to 95% of silica and hence, it is economically feasible to extract it. To prepare silica, silicate is obtained from RHA by reacting with any alkali preferably sodium hydroxide and sodium carbonate to produce sodium silicates (Na2SiO3). Sodium silicate is then reacted with sulfuric acid to generate silica.

The silica obtained, has varied applications ranging from tyres, toothpastes, food, plastics, and pesticides to electronic industries. Utilising the RHA serves two purposes, production of silica and addressing the issue of its appropriate disposal.

Tata Chemicals' Innovation Centre is developing process technology to produce silica from RHA. In order to secure sustainability of their raw materials, the tyre industry needs silica prepared from agricultural or industrial waste. Currently, a feasible process at the IC lab has been developed and the process is being scaled up.

Safety and health

Safety is fundamental to our business and an integral part of the sustainability agenda.

Safety

With the CSR, safety and sustainability Committee of the Board, guiding our efforts to deliver, we are committed to achieving a goal of targeting 'Zero Harm' - Zero Harm to People, Zero Harm to Asset and Zero Harm to Environment through world-class SHE practices. TCL's Corporate SHE policy is the overarching policy, with the subsidiaries aligning it to the local regulatory and safety directorates. We are driven by voluntary standards such as OHSAS 18001, Responsible Care, and the British Safety Council guidelines.

Risk assessment and management

Safety is identified as one of the risks at the enterprise level periodically reviewed by the risk management committee of the board. Considering the hazardous chemicals used, sites have deployed structured risk assessment and management process - both qualitative and quantitative.

Hazards are identified using techniques such as Hazard and Operability Study (HAZOP), Hazard Identification and Risk Analysis (HIRA), What-if-Analysis, Failure Mode Effect Analysis, etc., and addressed by following hierarchy of risk control. Unsafe conditions and hazards are reported in an e-enabled portal. Employees working in high risk areas are given specialised training and retrained periodically. We observe Safety and Fire Service Weeks to promote Safety and Community Awareness. We review on-site emergency plans and have also adopted a Public Liability Policy. Business continuity plans are in place to manage crises.

Integrating safety into systems and processes across geographies

Geography	Safety initiatives
Mithapur	Process safety and risk management
Haldia	Constituted Reliability and Planning (RAP) cell for exclusive focus on reliability centered maintenance practices
TCML	Formed sub-committees to improve safety management system under the leadership of senior management, rail management system
TCE	e-modules - dynamic risk assessment tool or 'Stop and Think' risk assessment, manual handling and contractor induction module
TCNA	Internal inspection, Hazard Identification Tours (HIT) and LEAKS program

Measurable outcomes

Global Operations

0.88 TRIFR

0.46 LTIFR

No. per million man-hours

- 24% reduction in the number of total recordable injuries reported in FY2018 in comparison to FY2017
- Unfortunately, 2 fatal incidents were reported in FY2018

Building our Safety and Health competency

The health and safety of our employees, customers, suppliers, and communities around which we operate is a top priority. Health and safety considerations are integrated in the overall management systems and are an important driving force for the operations. Standards for best practice in health and safety are visible, robust, sustainable, and subject to continuous review and refinement.

Tailored periodic medical check-ups are administered to our people, based on the hazards of their work area. Adequate medical facilities are present at all sites. Specialised medical facilities can be accessed through tie-ups with hospitals. Sites with a trade union presence have formal agreements between over safety and health topics.

Collaborative efforts

Steer and direction are given by Senior Management

Demonstrate collective ownership and demand accountability for safety; Share a focused agenda of health and safety and meet periodically to discuss the same

Committees work across occupational health and safety areas such as the implementation of best practices and risk control e.g., BSC 5-Star cross functional teams (CFT), process safety and rsik management (PSRM) committee, formal joint committees comprising management and unionised employees, such as works/central safety committee, plant/department safety committee, wellness committee, etc.

Safety performance is linked with individual performance linked variable pay (PLVP) or incentives as applicable and there are conscious efforts to ensure an active engagement of workforce in promoting safety and achieving a safe and healthy work environment

Values at the heart of our ethical approach

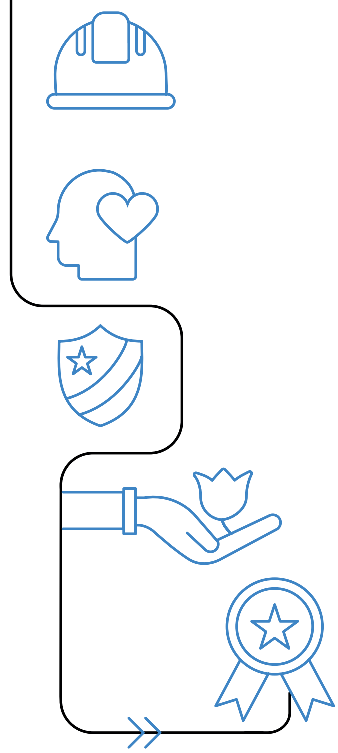
We are proud of our deep rooted heritage of conducting business with honesty and integrity built on trust that the Tata brand evokes.

Our culture is based on our values of safety, passion, integrity, care and excellence (SPICE). These values influence our actions, resulting in a workforce of more than 5,000 individuals committed to doing the right thing in every endeavour. While 'what' we achieve is important, we collectively care as much about 'how' we achieve it. Beginning with transparency in our policies, procedures, and transactions, we reinforce our commitment to 'doing the right thing' through regular training sessions and strong internal controls.

Our governance framework is based on a strong foundation with the Tata Code of Conduct leading the way. It embodies our approach towards managing employment, labour relations, human rights, and diversity. It drives our policies on a host of concerns such as equal employment opportunity, affirmative action, harassment, anti bribery, anti corruption (ABAC), whistle blower protection, taking and receiving gifts. The code is available in multiple languages and can be accessed on our website/intranet.

In a competitive business environment, we sometimes encounter situations that test our judgement and integrity. The Tata Code of Conduct and our values of SPICE serve as a moral compass in such testing times. Even as we achieve our growth plans, we commit ourselves to living the Tata Code of Conduct .

We strengthen our commitment towards the ethical way of doing business by consistently holding regular refresher sessions, events, surveys, and communication on ethics with employees, business partners, and other stakeholders. Stakeholder groups in all our units and extended business eco-system enthusiastically participate in these events.



Our future aspiration

Our vision is to go beyond mere compliance. We want to do what is right and responsible. We aim to lead by example and learn from experience.

HR's transformational agenda

We are undergoing a major transformation as we realign to grow in today's competitive business environment.

We exited the Crop Nutrition Business last year, divested the Agri Business and smoothly transitioned 465 employees from the urea business in Babrala to Yara Fertilisers. We entered FY2019 with a clear focus on developing our Speciality Chemicals Business and Consumer Products Business as our growth engines, while we continue to efficiently operate the Bulk Inorganic Chemicals Business.

Such change has created exciting opportunities and challenges. The HR function will be critical to this journey. We are preparing to transform our offering to respond to the needs of a changing customer profile and diverse customer expectations both B2B and business to consumer (B2C). We are equipping ourselves with a more diversified employee mix with different skillsets, backgrounds, and spreads across multiple generations.

To succeed, our workforce needs to be highly engaged, competent and agile. Sustaining employee morale will be of high priority. Continuous communication and transparent processes will strengthen our cultural pillars and values.

To reinforce our commitment to the Tata Code of Conduct, our foundation for governance, we celebrate Ethics Month in July every year. This year we launched a **21-Day Ethics Challenge** using our SkillSoft e-Learning platform. This initiative was covered in *People Matters* magazine.

We launched two online modules on our e-learning platform - **Anti-Bribery and Anti-Corruption** and **Prevention of Sexual Harassment**.

SHINE+ our internal job posting and employee referral program is now five years old. It has become a valuable asset for our employees wishing to explore career interests in the Tata Chemicals Group. The platform helps us deal with redundancies that arose from divesting the Agri Business. We have fulfilled our requirement for niche skills. Selective lateral hiring in areas such as food science and technology, nutrition and wellness, digitisation and materials' science has helped deliver our plans.

This year we started a promising initiative **Leadership Connect** to provide a platform for informal and focussed interactions between the board of directors and high potential employees. This proved a valuable experience for our go-getters.

We also launched immersive deputations under **SpringBoard**, our process to identify and develop Key Talent. The Individual Development Plans for Key Talent are designed as interventions using the 70-20-10 approach of learning through experience, exposure and education respectively.

TCE are leading the way with a cutting edge training system allowing the flexibility of e-learning to supplement normal training sessions. My Development Hub has a suite of training packages covering everything from specific safety modules to packages on modern slavery. These are available to all on line and the system incorporates invitations to refreshers on a specified basis and a training record as modules are completed TCNA launched Employee Mentoring Program for its salaried employees.

We have enhanced our **Incept Induction Process** in India focussed on improving new employee experience.

X-press 2017, our global employee engagement survey (excluding Rallis and Metahelix) was conducted by our partner Aon Services Limited. We recorded an engagement score of 68%. Post the **X-prESS 2017** employee engagement survey, we conducted 'Decoding the manager scorecard' workshops for managers across geographies. This resulted in a 10% increase in managers classified as 'good' and above in their team effectiveness skills.

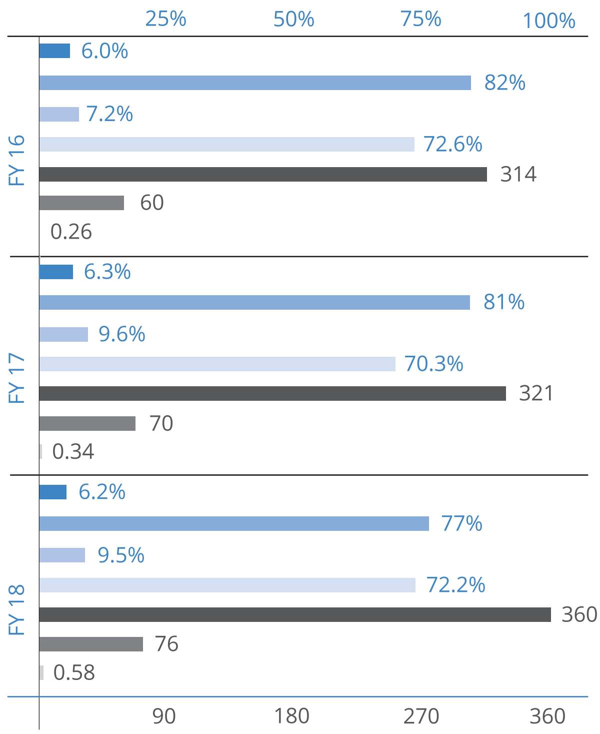
We renovated our Mumbai training centre called **Shack** to enhance seating capacity and make it disabled-friendly.

Keeping our team fighting fit

As on March 2018

TCL India	TCNA	TCE	TCM
2,327	551	385	251
TCIPL	**TCSA**	**Rallis**	**Metahelix**
3	11	977	443

Significant indicators of our most valuable asset - people



- Gender diversity
  Women employees (Global % as on 31 March 2018)
- Training coverage (% for TCL India)
- Voluntary attrition (% for TCL India)
- Employee Health Index – Representing the overall health condition of employees at the Mithapur plant
- Black & Green Belt certified employees (cumulative global year on year number)
- Doctorates in R&D roles
- PBT/Employee (₹ crore) for TCL India % FY2017 numbers are as per Indian Accounting Standards (INDAS) and previous years' numbers are as per Indian Generally Accepted Accounting Principles (IGAAP)

Our goals

Realigning organisation structure to make it lean and agile	• Facilitate our growth through organic/inorganic routes with effective fixed cost management • Directionally move to globally aligned chemicals to make it agile and cost efficient • Continue to adapt to the changing regulations for contract labour • Automate work processes to improve productivity
Capacity planning and talent acquisition	• Continue to acquire talent with niche skills in specialty domains where we lack in-house skills • Phased replenishment of the retiring workforce with technically qualified personnel • Improve our perception as 'Employer of Choice in the FMCG sector and millennial target group • Attract talent at remote manufacturing locations
Building workforce capability and leadership pipeline	• Strengthen our multi-pronged approach to learning, with focussed interventions in core and functional areas, customised business specific and organisation-wide strategic interventions, and leadership development programs • Focus on succession planning with senior leaders retiring in the near future • Focus on Individual Development Plans for Key Talent under 'SpringBoard' • Leverage technology to encourage learning via e-platforms such as e-learning and mobile–app based courses
Creating an engaging environment for our diverse workforce	• Continue to address key engagement drivers such as meaningful roles, communication, career development, reward and recognition programs, friendly people policies, and wellness initiatives • Emphasis on SHINE+ program to highlight career opportunities within the organisation • Support employees who want to participate in community development and volunteer programs • Strengthen our cultural pillars to integrate disparate employee groups into a cohesive culturally vibrant workforce
Enhancing HR operational effectiveness	• Migrate from the current use of multiple standalone platforms to a unified human capital management (HCM) Cloud solution to benefit from quality and speed of service with seamless integration of master data across multiple processes and superior end-employee experience

TCL is committed to improve quality of life and conserve the environment and bio-diversity. Guided by our CSR policy, we follow an integrated approach to community development, touching all aspects of society including livelihood, education, health, environment, and empowerment of the weaker sections. Our CSR activities are represented as BEACON - Blossom, Enhance, Aspire, Conserve and Nurture.

Blossom – Building capacity and empower communities through a replicable handicraft development model.
Total Expenditure: ₹ 81 lakhs.
Okhai Centre for Empowerment worked closely with around 750 artisans across India to create livelihood opportunities for rural women artisans. Providing support to artisans with training and market linkages, the Centre worked as a bridge between artisans and customers facilitating sale through the Okhai website and outlets. Okhai is also working with women producing handicrafts including rexene and leather work, bead work, block print material, coconut fiber products, paper carry bags etc.

Enhance - Promoting livelihood of farmers with agriculture and livestock development programmes.
Total Expenditure: ₹ 106 lakhs

Agriculture development programme
Activities include training farmers, field demonstrations, and supply of seeds and agri-equipment to enhance productivity. The program also promotes the use of digital technology to disseminate agriculture related information to farmers. More than 6,000 farmers were benefited throughout the year.

Animal husbandry
Conducting regular healthcare and vaccination camps at different locations, we covered 60,000 plus animals. We also supported 238 families for fish culture and 192 households for poultry farming.

Uday Foundation
The Foundation employs 282 young people who provide backend customer support to different organisations.

Infrastructure development
At Mithapur, we constructed a 1,013-meters square of brick paved track, 617 meters of drainage channel, and two cattle sheds. Support was also provided to two primary schools and an Integrated Child Development Services Centre.

Aspire - Encourage functional education and skills for sustainable socio-economic development.
Total Expenditure: ₹ 366 lakhs

Educational Programmes
8,500 children benefited from initiatives such as an e-library, learning enhancement programme, teacher training, scholarships, child learning and improvement programme and a residential summer camp on spoken English and personality development.

Vocational skills and employability
We are running skill development program in Mithapur, Babrala, Haldia, and Sriperumbudur to train unemployed youth and facilitate their employment and entrepreneurial skills. We partnered with Tata Strive to run a skill development center at Aligarh. During the year, more than 2,000 youth were trained on different vocational skills.

Conserve - Conserve natural resources through participatory approach for environmental sustainability.
Total Expenditure: ₹ 463 lakhs

Whale sharks
The whale shark project at Mithapur focuses on habitat study, research on migratory patterns, and breeding biology. During the year, 30 Whale Sharks caught accidentally in the fishing nets along the Saurashtra coast were rescued and released taking the total rescue figure to 720. In Mithapur, Babrala, and Haldia, we are also working with the Eco Clubs in schools to raise awareness on environment conservation.

Land reclamation
Land development program and water management and conservation programs such as Mission Jal and drip irrigation were carried out at Babrala and Mithapur. In Uttar Pradesh, approximately 2,410 acres of land was reclaimed with laser leveling and deep-ploughing.

Energy efficiency
We continue to promote energy efficient cook stoves in Haldia and constructed 600 units. 21 solar street lights have been installed in Mithapur.

Nurture - Better health through prevention and cure.
Total Expenditure: ₹ 187 lakhs

Vision and surgical support
36,784 patients received counselling and treatment through eye camps in Mithapur, Babrala and Haldia. We provided eye check-up and spectacle support for 1,584 people and cataract operation support for 265 patients.

Nutrition of women and children
In Babrala, we facilitated government run health programs in rural communities through vaccination of pregnant women and children under ten-years. We covered 15,243 women and children. A malnutrition program in Dharni (Amravati, Maharashtra) and Pati (Barwani, Madhya Pradesh) aimed at decreasing Infant Mortality Rate and Maternal Mortality Rate, is helping us improve nutritional practices and linking the women and children with the government health department. We screened 3,500 pregnant and lactating women for

A wave of initiatives

Hemoglobin Estimation and 5,373 children for Mid Upper Arm Circumference and weight. We also promoted referral services of the severely malnourished children for treatment at Nutritional Rehabilitation Centre.

Building Sanitation and Partnership

We have partnered with the Water and Sanitation Management Organisation of Gujarat to undertake drinking water and sanitation activities under Coastal Areas Development Project. The project aims to provide drinking water facilities to the rural households of Okhamandal with the help of village institutions. Tap-water connection was provided to 1,200 households and toilets were constructed at 415 households. 49 sanitation units were constructed in Babrala and 4 in Haldia.

Working towards inclusiveness

Total Expenditure: ₹ 115 lakhs

We are reaching out to the socially backward population of the community specially the women, scheduled castes, and scheduled tribes through our empowerment program. The objective is to mainstream such communities by including them in all our developmental programs.

Flood relief

Total Expenditure: ₹ 75 lakhs

This year relief support was provided in the flood-affected areas of Gujarat.

We have conducted various social assessments for our CSR activities and for more details, please visit page number 131 of this report.

Serving communities in all the places we operate

TCM

- Tata Swach project
  - for clean drinking water
- Magadi Watershed mapping project
- 18 new university scholarships
- Community wellness programs
- Partnership with Vitamin Angels to give 30,000 vitamins and de-wormers
- Eco tourism experiencing growth

TCNA

- First book reading event
- Lyman High School CAPS Program
- Funded local hospice care campaigns with Deer Trails Assisted Living
- Meals on Wheels program sponsored
- CLIMB Wyoming sponsore
- VOA donation of $2,800

TCE

- Eight Peaks Challenge – taking on 8 of the highest peaks in the Lake District in aid of St. Luke's (Cheshire) Hospice
- 'Rowathon' and 'Cyclethon' events raised funds for St. Luke's Hospice
- Volunteering policy allowed each employee an extra paid day off

A Massai tribesman in the Rift Valley near Lake Magadi, Kenya.

Reducing our environmental impact

Our sustainability commitments

Natural capital
- Achieve energy efficiency as part of the Responsible Manufacturing Index (RMI)
- Reuse and recycle packaging and other waste
- Conduct responsible mining

Social and relationship capital
- Ensure safe drinking water and reach 25 million people
- Harmonise community relations
- Promote responsible care and customer education
- Establish community based organisations to empower citizens
- Encourage inclusion of women, and socially and economically backward communities
- Maintain a responsible supply chain

Human capital
- Uphold safety's zero harm commitment
- Encourage employee investments and development
- Engage volunteers

Manufactured capital
- Opt for low carbon technology
- Select low sulphur-content raw materials
- Reuse and recycle packaging and other waste
- Adopt technology and innovation

Towards sustainable growth

Sustainability is at the heart of our business strategy. We strongly believe in giving back to society, protecting the environment and achieving our overarching desire of 'serving society through science'. Our policies and processes are aligned with the triple bottom line approach that measures social, environmental and financial performance.

We focus on water conservation, reducing energy consumption and green house gas (GHG) emissions, efficient waste disposal and recycling systems, and conserving biodiversity. We aim for sustainable growth and continually reduce our environmental footprint.

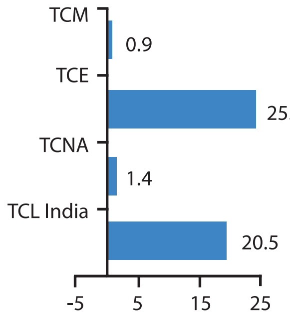
Water conservation

We use water responsibly. We meter and monitor the impact on water resources. Mithapur has a well-established rainwater collection system and newly constructed rain water collection ponds are part of conservation initiatives. Using innovative technologies to desalinate seawater, Mithapur continues to have zero dependence on ground water and recycles almost 94% of the water it uses. The Innovation Centre in Pune recently set up a rainwater harvesting system.

TCNA taps into Green River to source drinking water and for manufacturing. Initiatives to reduce water consumption have resulted in 84% of the water previously lost to the evaporation ponds being recovered.

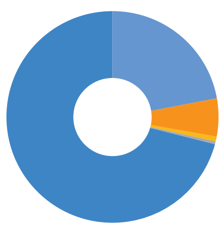
TCE aims to return a high proportion of its water back to the river course to minimise net usage. All returned water is subject to highly regulated consented permits. The water is recycled within the process or to other users wherever possible and extensive use is made of rainwater harvesting to displace use of river water.

Specific water consumption



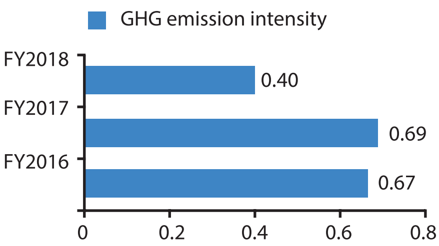
Specific water consumption (KL/MT produced)

Water consumption (000'KLs)



Sea - 73710.4
Surface - 25431.8
Ground - 5074.6
Purchase/Municipal - 609.4
Rainwater - 82.0

Emission intensity (tCO2eq/ton produced)



Energy

Energy assessments have been used to understand opportunities to save energy and identify carbon capture. Variable frequency drives have been installed. More efficient pumping systems have been introduced and the potential to reduce GHG emissions is considered when procuring or adapting new technology.

In Mithapur, in collaboration with Tata Power, a 25 megawatt (MW) solar power plant powers 15 million homes and has reduced the annual carbon footprint by 24,000 tonnes. The Innovation Centre in Pune installed 10 kilowatt (KW) of solar capacity to power all its streetlights. A comprehensive exercise at Sriperumbudur to save energy and reduce emissions included installing solar bore wells, a variable frequency drive for evaporator product circulation, a sugar charging system, and auto timers.

In Europe, TCE's combined Heat and Power plant has a best-in-class overall efficiency of 80%. TCE used a redundant coal-fired power station to build a 50 MW energy from waste facility at Lostock from where it exports power to the National Grid.

In Kenya, TCM replaced mercury bulbs with solar lighting and light-emitting diode (LED) bulbs to save energy.

Emissions at Mithapur were reduced with modifications to the vacuum system, replacing the flash vessel and its bypass system at the power plant. Use of effluent solids in cement manufacture and utilising wind energy also contributed.

Waste

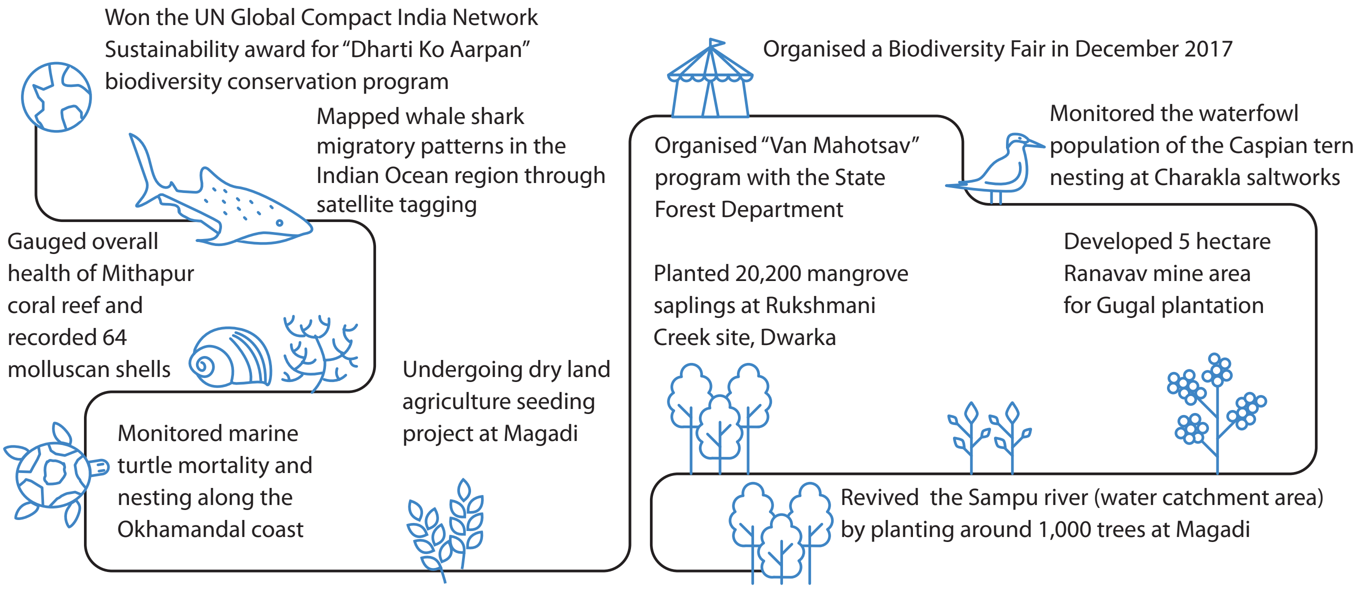
All sites strictly enforce on-site waste segregation. TCL ensures that all hazardous and non-hazardous waste is sold to authorised and registered dealers. All organic waste is composted. No site ships internationally any quantity of treated waste deemed hazardous.

TCNA minimises packing material by transporting product using rail. Rail cars are rented to other users on the return trip. This offsets the carbon footprint and cost to return the car.

TCE recycles waste by sending low-grade bicarbonate and soda ash to third parties to re-use and resell waste ash at lower prices. Non-hazardous waste such as limestone is recyled to landfills or local farms.

For more on non-financial disclosures, please visit our website at http://sustainability.tatachemicals.com

TCL's Biodiversity projects



The Charakla Saltworks in Gujarat plays host to more than 120 different species of birds each year. Some of them are resident, others migratory and a few vagrants that happen to stray into the region.

Among other birds, the Caspian Tern (Hydroprogne caspia) is a resident and can be seen here almost throughout the year.

Risks

We are exposed to risks arising out of the macroeconomic environment as well as from the internal business environment. We continually focus on addressing the same as we ensure value creation for our stakeholders.

Strategic

- Timely delivery of transformation plan
- Sustainability and climate change
- Pace of digitalisation

Operational

- Volatility in raw material prices/ securitisation of key raw materials
- Cyber attacks
- Increase in fixed costs
- Competitiveness

Financial

- Disciplined capital allocation and cost effective financing structure inability to secure sufficient, cost effective funding
- Pressure on financial covenants due to operational constraints

Regulatory and compliance

- Responsiveness to changes in legislation and regulation
- Government policy changes

Reputational

- Stringent implementation of product and process quality standards
- Safety culture
- Adherence to stringent environmental norms

Board of Directors

Mr. Bhaskar Bhat

Non-Executive Director

A mechanical engineer from IIT Madras with a post-graduate diploma in management from IIM, Ahmedabad, Mr. Bhat joined the Tata Watch Project (initiated at Tata Press) in 1983, which later became Titan Watches, and now Titan Company. At Titan, he has handled sales and marketing, HR, international business and various general managerial assignments. He has served as managing director of Titan Company Limited since April 2002. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008.
He was appointed as Director on the Board of the Tata Sons in November, 2017.
He was appointed as non-executive director of Tata Chemicals in December, 2016.

Mr. Nasser Munjee

Independent Non-Executive Director

With a Masters degree from the London School of Economics, Mr. Munjee, has held various positions at HDFC for more than 20 years, including serving as executive director. He was the managing director of IDFC and served on the board of various multinational companies and trusts. He was a technical advisor on the World Bank's Public Private Partnership Infrastructure and Advisory Fund. Mr. Munjee has been the chairman of DCB Bank since June 2005 and was appointed as independent, non-executive director of Tata Chemicals Limited in 2006.

Dr. YSP Thorat

Independent Non-Executive Director

Dr. Thorat started his career with the Reserve Bank of India in 1972 and was appointed its executive director in 2003. His major contribution has been in the field of policy support for agriculture finance, supervision, and export credit. In 2004, he was appointed managing director, NABARD, and a year later became chairman. In the past, he has been associated with the Planning Commission, Government of India, for the 10th and 11th five year plans. Dr. Thorat is also a director of Rallis India, Britannia Industries and Ambit Capital and also serves as an independent non-executive director of Tata Chemicals Limited since January 2010.

Ms. Vibha Paul Rishi

Independent Non-Executive Director

Ms. Vibha Paul Rishi holds a BA degree in economics from Delhi University and an MBA with specialisation in marketing from the Faculty of Management Studies, New Delhi. She is an experienced business leader who worked with Titan, PepsiCo, Max India and Future Group with stints in India, the UK and USA. Her last role was as the executive director, brand and human capital of Max India. She has worked at senior positions in branding, strategy, innovation, and human capital around the world. She serves on the boards of several companies and was appointed as an independent, non-executive director of Tata Chemicals Limited in September 2014.

Mr. S. Padmanabhan

Non-Executive Director

Mr Padmanabhan, is a distinguished alumnus of IIM Bangalore, and a Gold Medallist and alumnus from PSG College of Technology, Coimbatore and has also completed the Advanced Management Program at Harvard Business School. During a 26-year stint with Tata Consultancy Services, Mr. Padmanabhan held several senior leadership roles. He was also an executive director of Tata Power between 2008-2014 and the Group Chief Human Resources Officer at Tata Sons Limited. He is on the board of Tata Consulting Engineers Limited (chairman), Infiniti Retail and The Associated Building Company. Appointed non-executive director of Tata Chemicals Limited since December 2016, he is currently the executive chairman, Tata Business Excellence Group (TBExG).

Mr. Ratan N. Tata
Chairman Emeritus
Mr. Ratan Tata was the Chairman of Tata Sons from 1991 till his retirement on December 28, 2012. He was also chairman of the major Tata companies, including Tata Motors, Tata Steel, Tata Consultancy Services, Tata Power, Tata Global Beverages, Tata Chemicals, Indian Hotels and Tata Teleservices. During his tenure, the group's revenues grew manifold, totalling over $100 billion in 2011-12. He is the chairman of the Tata Trusts which are amongst India's oldest, non-sectarian philanthropic organizations that work in several areas of community development. He is the chairman of the Council of Management of the Tata Institute of Fundamental Research and also serves on the board of trustees of Cornell University and the University of Southern California.

Ms. Padmini Khare Kaicker
Independent Non-Executive Director
Ms. Padmini Khare Kaicker is a Certified Public Accountant (USA) and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India. She is the Managing Partner of B. K. Khare & Co., one of the leading Indian accounting firms. She has wide experience in the areas of audit, taxation, corporate finance, risk management, corporate governance, M&A, and restructuring. She has been an independent, non-executive director of Tata Chemicals Limited since April 2018.

Mr. R. Mukundan
Managing Director and CEO
An engineer from IIT Roorkee, Mr. R. Mukundan joined the Tata Administrative Service in 1990, after completing an MBA from FMS, Delhi University. He is also an alumnus of the Harvard Business School. During his career with the Tata group, he has held various responsibilities across the chemical, automotive and hospitality sectors of the group.

Mr. Zarir Langrana
Executive Director
An economics graduate from the University of Madras with post-graduation in business management from XLRI, Jamshedpur, Mr. Langrana has also attended advanced executive development programmes at Harvard Business School. During thirty years at Tata Chemicals, he has led the corporate strategy and business development functions, and headed the global marketing function for the chemicals business. Appointed an executive director in April 2018, Mr. Langrana currently heads the Global Chemicals Business and the new ventures in Nutraceuticals and Silica.

Management team

R. Mukundan
Managing Director & CEO

Zarir Langrana
Executive Director

John Mulhall
Chief Financial Officer

R. Nanda
Chief Human Resources Officer

Rajiv M Chandan
General Counsel & Company Secretary

D. K. Sundar
Chief Corporate Assurance and Initiatives

Ranjeev Lodha
Vice President & Group Corporate Controller

Sanjiv Lal
Chief Operating Officer, Indian Chemicals Business

Richa Arora
Chief Operating Officer, Consumer Business

M **Ravindranath**
Chief Safety, Engineering & Projects Officer

Rino Raj
Chief Information & Digital Officer

Alka Talwar
Chief CSR & Sustainability Officer

Dr. Ashim Mullick
Head - Innovation Centre

Dr. Richard Lobo
Head - Strategy & Business Excellence

Veeramani Shankar
Managing Director & CEO, Rallis India Limited

S Nagarajan
Managing Director & CEO, Metahelix Life Sciences Limited

Scott Ellis
Managing Director & CEO, Tata Chemicals North America

Martin Ashcroft
Managing Director, Tata Chemicals Europe

Jackson Muchira Mbui
Managing Director, Tata Chemicals Magadi

Auditors

B S R & Co. LLP
Chartered Accountants

Solicitors

AZB & Partners
Mulla & Mulla & Craigie, Blunt & Caroe
Shardul Amarchand Mangaldas
Cyril Amarchand Mangaldas

Registrar & Transfer Agents

TSR Darashaw Limited
6-10 Haji Moosa
Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011

Basis of report preparation

In recent years the principles of 'integrated reporting' have come to prominence as a benchmark for global best practice in corporate reporting. We consider the ways and means by which an enterprise creates value using the capital inputs available. For the third year, we have used these principles as the basis for our annual report. We follow internationally recognised frameworks and guidelines such as United Nations Global Compact, Global Reporting Initiative (GRI) and AA1000 Framework for Accountability, and the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC).

We apply the following principles of AA 1000 AS (2008):

Inclusivity

We are committed to be accountable for stakeholders who are impacted directly or indirectly by our organisation. We map our stakeholders and have processes to ensure inclusion of stakeholder concerns and expectations. In addition, we continue to develop our stakeholder engagement and sustainability capacity at corporate and manufacturing levels.

Materiality

Key material aspects have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points with measurable targets.

Responsiveness

We reach out to a wide range of stakeholders through our reporting. Each group has its own specific needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations in ways that take account and respond to stakeholder concerns.

Forward looking statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans, and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Assurance notice

The Board of Directors and Management
Tata Chemicals Limited
Mumbai, India

Ernst & Young LLP (EY) was engaged by Tata Chemicals Limited (the 'Company') to provide independent assurance on its Integrated Report 2017-18 (the 'Report') covering salient features of business as well as sustainability, including performance during the period 1st April 2017 to 31st March 2018.

The development of the Report based on the <IR> Integrated Reporting Framework by International Integrated Reporting Council (IIRC), its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance below. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance statement should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Scope of assurance
The scope of assurance covers the following aspects of the Report:
• Data and information related to the Company's environmental and social performance for the period 1st April 2017 to 31st March 2018;
• The Company's internal protocols, processes and controls related to the collection and collation of specified environmental and social performance data;
• Verification of sample data and related information through consultations at the Company's Head Office in Mumbai, desktop review at Innovation Centre (Pune) and physical visits to the following manufacturing locations:
o Mithapur (Gujarat)
o Sriperumbudur (Tamil Nadu)
o Green River, Wyoming, USA (Tata Chemicals Soda Ash Partners)
o Lake Magadi, Kenya (Tata Chemicals Magadi)
o Tata Chemicals Europe Limited, Northwich & British Salt Limited, Middlewich, United Kingdom
• The environmental and social performance data that was subject to above assurance is as follows:
o Environmental Performance:
• Raw material consumption, material recycled and reclaimed, energy consumption, energy savings, water withdrawal, water recycled and reused, wastewater discharge, greenhouse gas emissions, air emissions (SOX, NOX and particulate matter) and waste disposed;
o Social Performance:
• Total workforce, new hires and turnover, number of fatalities and reportable injuries, number of man-days lost, average employee training hours, employee training hours on human rights, total number of incidents of discrimination, and local community engagement and development programs.

Limitations of our review
The assurance scope excludes:
• Operations of the Company other than those mentioned in the 'Scope of Assurance';
• Aspects of the Report and data/information other than those mentioned above;
• Data and information outside the reporting period i.e. 1st April 2017 to 31st March 2018;
• The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
• Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.
• Data and information on economic and financial performance of the Company.

Assurance criteria
The assurance engagement was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) and the second edition of AccountAbility's AA1000 Assurance Standard 2008 (AA1000 AS). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000) on reporting principles and a 'Type 1 Moderate' level of assurance (as per AA1000 AS), as well as conformance of the disclosures to the <IR> Integrated Reporting Framework.

What we did to form our conclusions
In order to form our conclusions we undertook the following key steps:
- Interviews with select key personnel and the core team responsible for the preparation of the Report to understand the Company's sustainability vision, mechanism for management of relevant issues and engagement with stakeholders;
- Physical and desktop audits of the Company's corporate office and manufacturing locations on a sample basis as mentioned in the 'Scope of Assurance' above;
- Interactions with the key personnel at the Company's manufacturing plants in order to understand and review the current processes in place for capturing environmental and social performance data;
- Review of relevant documents and systems for gathering, analyzing and aggregating environmental and social performance data in the reporting period;
- Review of the Integrated Report for detecting, on a test basis, any major anomalies between the data/information reported in the Integrated Report and the relevant source;
- Review the level of adherence to principles of Integrated Reporting framework.

Our Observations
The Company has developed the Report as per the Integrated Reporting framework. The Report includes a description of the Company's stakeholder engagement, materiality assessment, interlinkages of capitals and performance disclosures on material topics.

Our Conclusions
On the basis of our review scope and methodology, our conclusions are as follows:
- Inclusiveness:

The Company has described its key stakeholder groups, matters relevant to each group and methods of engagement in the Report. We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with the key stakeholder groups identified in the Report.
- Materiality:

The Company has identified key issues material to its ability to create value has described the process for materiality analysis in the Report. Nothing has come to our attention that causes us to believe that material issues so identified have been excluded by the Company.
- Responsiveness:

We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle in its engagement with stakeholders identified in the Report on material aspects covering its environmental and social performance.
- Reliability of performance information:

Nothing has come to our attention that causes us not to believe that the information has been presented fairly, in material respects, in keeping with the Integrated Reporting framework and the Company's reporting principles and criteria. There are processes for compilation, submission and approval of key performance data at the Company's manufacturing locations and at the corporate level. These can be further strengthened for even better understanding of various reporting requirements.

Our assurance team and independence
Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

for Ernst & Young LLP

Chaitanya Kalia
Partner
19 June 2018
Mumbai, India

AA1000
Licensed Assurance Provider
000-43

Results at a glance

₹ in crore

	Standalone		Consolidated	
	FY2018	**FY2017**	**FY 2018**	**FY 2017**
Revenue from continuing operations	3,524	3,837	10,345	10,681
EBITDA from continuing operations	922	858	2,191	2,094
Profit before tax (including exceptional gain)				
- Continuing operations	904	804	1,620	1,467
- Discontinued operations	1,652	186	1,652	186
Profit after tax				
- Continuing operations	624	579	1,560	1,121
- Discontinued operations	1,142	113	1,142	113
Other comprehensive income 1	1,032	378	1,098	375
Share capital	255	255	255	255
Other equities	11,069	8,601	10,847	7,653
Networth (equity)	**11,324**	**8,555**	**11,102**	**7.908**
Borrowings	**1,097**	**2,041**	**6,108**	**7,072**
Non current	681	1,088	5,394	4,361
Current	1	523	140	721
Current maturities 2	415	430	574	1,990
Cash and cash equivalents[4]	3,769	1,112	4,483	1,665
Capital employed 3	9,657	8,197	23,201	21,093
Borrowings : networth (equity)	0.10	0.24	0.55	0.89
Net worth per share	444.51	347.60	435.78	310.42
Earnings per share:				
Basic & diluted				
- Continuing operations	24.51	22.74	50.66	34.53
- Discontinued operations	44.85	4.45	44.85	4.45
Basic & diluted (total)				
- Continuing & discontinued operations	69.36	27.19	95.51	38.98
Proposed dividend per share	22	11	22	11
No. of shares	254,756,278	254,756,278	254,756,278	254,756,278

Notes:
1. Other comprehensive Income is of equity shareholders of the Company
2. Current maturities includes finance lease obligations
3. Capital Employed: Total assets minus current liabilities plus current (short-term) borrowing plus current maturities of non-current (long-term) borrowing and finance lease obligations minus investment in subsidiary companies (other than Rallis India Limited).
4. Including other bank balances

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Board's Report

TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their seventy ninth Annual Report together with the audited financial statements for the Financial Year (FY) ended 31 March, 2018.

FINANCIAL RESULTS

₹ in crore

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017
Revenue from operations	**3,524.17**	**3,837.04**	**10,345.36**	**10,680.98**
Profit after exceptional gain, before depreciation and finance costs	1,116.65	1,034.59	2,414.49	2,260.41
Depreciation and amortisation expense	126.55	129.60	518.01	512.16
Profit before finance costs	**990.10**	**904.99**	**1,896.48**	**1,748.25**
Finance costs	86.51	100.98	325.58	297.29
Profit before share of profit of joint ventures and tax	**903.59**	**804.01**	**1,570.90**	**1,450.96**
Share of profit of joint ventures	-	-	49.23	15.62
Profit before tax	**903.59**	**804.01**	**1,620.13**	**1,466.58**
Tax expense	279.12	224.77	60.13	345.95
Profit from Continuing Operations after tax	**624.47**	**579.24**	**1,560.00**	**1,120.63**
Profit from Discontinued Operations after tax	**1,142.49**	**113.47**	**1,142.49**	**113.47**
Profit for the year	**1,766.96**	**692.71**	**2,702.49**	**1,234.10**
Attributable to:				
- Equity shareholders of the Company	1,766.96	692.71	2,433.08	993.11
- Non-controlling interests	-	-	269.41	240.99
Other comprehensive income ('OCI')	1,031.58	378.16	1,108.80	348.96
Total comprehensive income	**2,798.54**	**1,070.87**	**3,811.29**	**1,583.06**
Balance in Retained earnings at the beginning of the year	**4,072.61**	**3,714.09**	**1,509.39**	**996.00**
Profit for the year (attributable to equity shareholders of the Company)	1,766.96	692.71	2,433.08	993.11
Re-measurement of defined employee benefit plans	21.42	(32.52)	116.94	(165.24)
Transfer from OCI - sale of non-current investment	903.98	-	903.98	-
Dividends including tax on dividend	(329.85)	(301.67)	(337.31)	(306.62)
Acquisition of non-controlling interests	-	-	-	(7.86)
Balance in Retained earnings at the end of the year	**6,435.12**	**4,072.61**	**4,626.08**	**1,509.39**

DIVIDEND

For the FY 2017-18, the Board of Directors have recommended a dividend of ₹ 11 per share (110%) (previous year ₹ 11 per share) and a special dividend of ₹ 11 per share (110%) to reflect one time income on account of sale of the Fertiliser Business, on the Ordinary Shares of the Company, aggregating ₹ 22 per share (previous year ₹ 11 per share). If declared by the members at the ensuing Annual General Meeting ('AGM'), the total dividend outgo during FY 2018-19 would amount to ₹ 560.46 crore excluding dividend tax (previous year ₹ 280.23 crore excluding dividend tax).

DIVESTMENT OF FERTILISERS BUSINESS

The Company had, on 10 August, 2016, entered into an Agreement with Yara Fertilisers India Private Limited ('Yara India') to transfer its Urea and Customised Fertiliser Business ('Divestment Business') situated at Babrala, Uttar Pradesh, by way of a slump sale on a going concern basis, for a consideration of ₹ 2,670 crore (subject to certain adjustments), through a Scheme of Arrangement between the Company and Yara India ('the Scheme'). On receipt of requisite regulatory approvals, fulfillment of conditions precedent and sanction of the Hon'ble National Company Law Tribunal, Mumbai ('NCLT'), the

Scheme became effective from 12 January, 2018 on filing the Order of the NCLT with the Ministry of Corporate Affairs. Accordingly, the Divestment Business along with the assets, liabilities, contracts, deeds, etc. stands transferred and vested with Yara India in accordance with the Scheme with effect from 12 January, 2018 for which the Company received a consideration of ₹ 2,682 crore (subject to post completion working capital adjustments) from Yara India on the said date.

The Board of Directors of the Company, at its meeting held on 6 November, 2017, approved the sale of its Phosphatic Fertilisers Business and the Trading Business comprising bulk and non-bulk fertilisers and all related assets situated at Haldia in West Bengal to IRC Agrochemicals Private Limited ('IRC'), wholly owned subsidiary of Indorama Holdings BV, Netherlands. The proposed sale is on a going concern basis and by way of a slump sale, for a lump sum consideration of ₹ 375 crore (subject to certain usual adjustments after closing) in accordance with the terms of the Business Transfer Agreement ('BTA') entered into between the Company, IRC and Indorama Holdings B.V.

In terms of Section 180(1)(a) of the Companies Act, 2013, approval of the Members of the Company was obtained on 10 January, 2018 for the proposed transaction under the provisions of Section 110 of the Companies Act, 2013 read with applicable Rules through postal ballot.

The effect of the transfer of Phosphatic Fertiliser Business and Trading Business will be reflected in the financial results of the period in which the deal is consummated post receipt of all the requisite regulatory and statutory approvals.

Hence, the Fertiliser Business (comprising Urea, Phosphatic Fertilisers and Trading Business) is classified as Discontinued Operations in the financial statements for the year ended 31 March, 2018.

PERFORMANCE REVIEW

Consolidated:

The consolidated revenue from Continuing Operations was ₹ 10,345.36 crore as against the previous year's figure of ₹ 10,680.98 crore, down by 3%. Earnings before interest, tax, depreciation and amortisation ('EBITDA') from Continuing Operations increased from ₹ 2,094.29 crore to ₹ 2,190.69 crore, registering an increase of 5% over the previous year. Profit before tax from Continuing Operations was ₹ 1,620.13 crore, an increase of 10% over the previous year's figure of ₹ 1,466.58 crore. Profit after tax from Continuing Operations increased from ₹ 1,120.63 crore to ₹ 1,560.00 crore, an increase of 39% over the previous year. Profit for the year (Continuing Operations and Discontinued Operations) increased from ₹ 1,234.10 crore to ₹ 2,702.49 crore, an increase of 119% over the previous year. Profit for the year attributable to equity shareholders of the Company increased from ₹ 993.11 crore to ₹ 2,433.08 crore, an increase of 145% over the previous year.

Standalone:

Revenue from Continuing Operations was ₹ 3,524.17 crore as against the previous year's figure of ₹ 3,837.04 crore, down by 8%. EBITDA from Continuing Operations increased from ₹ 857.67 crore to ₹ 922.16 crore, an increase of 8% over the previous year. Profit before tax from Continuing Operations increased from ₹ 804.01 crore to ₹ 903.59 crore, an increase of 12% over the previous year. Profit after tax from Continuing Operations increased from ₹ 579.24 crore to ₹ 624.47 crore, an increase of 8% over the previous year. Profit for the year (Continuing Operations and Discontinued Operations) increased from ₹ 692.71 crore to ₹1,766.96 crore, an increase of 155% over the previous year.

Tata Chemicals Limited's ('TCL' or 'the Company') operation ('Continuing Operations') is organised under three segments: (1) Inorganic Chemicals comprising Soda Ash, Salt, Sodium Bicarbonate, Marine Chemicals, Caustic Soda and Cement; (2) Other Agri-inputs comprising Rallis India Limited's operations; and (3) Others comprising Pulses, Spices, Water Purifier and Nutritional Solutions. Performance review of these businesses is discussed below:

1. INORGANIC CHEMICALS SEGMENT

1.1 INDIA OPERATIONS

During the year under review, the Inorganic Chemicals Business achieved revenue on standalone basis of ₹ 3,376.83 crore against ₹ 3,459.80 crore in the previous year, a marginal decrease of 2.4%.

FY 2017-18 was another year of strong financial and operational performance for the Indian Chemical Operations. This performance was achieved in a challenging business environment marked by increase in input energy costs and competitive pressures emanating from domestic and global capacity additions in the key product. This performance was made possible largely through operational excellence with relentless focus on optimising the costs and serving customers efficiently.

The business continued to maximise throughput of all key products. Significant rise in the input energy costs led to some pressure on profitability which was more than adequately compensated by a strict control on the operational costs.

Soda Ash

Domestic demand for soda ash grew at 12% for the year, driven by a broad based growth in key application industries including glass and detergents. The manufacturing volumes at Mithapur remained flat at 8.17 lakh tonnes p.a. while the sales volume at 6.93 lakh tonnes p.a. was marginally lower than the corresponding figure of 7.08 lakh tonnes p.a. in the previous year, mainly on account of higher captive consumption of soda ash to produce sodium bicarbonate. In order to meet the higher customer requirements during the year, the business also supplemented its Mithapur soda ash volumes with imports from TCL group companies and others. The Company launched "Detmate", a branded speckle grade soda ash offering for the detergent segment. The strong growth in demand and the firming up of the international prices during the year contributed to better price realisations.

Sodium Bicarbonate

In line with its long-term growth rate, the domestic sodium bicarbonate ('bicarb') demand registered a growth of 13% p.a. in FY 2017-18. The Company continues to focus on both volume and value growth of bicarb. Mithapur registered the highest ever bicarb production of 1.06 lakh tonnes p.a. (against 1.01 lakh tonnes p.a. in the previous year) and highest sales volume of 1.06 lakh tonnes p.a. (against 1.01 lakh tonnes p.a. in the previous year), including the sales in small consumer packs. In line with our strategy to increase the share of higher value grades in bicarb, the Company also launched "Medikarb", a pharmaceutical grade product which received excellent response from customers. The price realisations for bicarb showed good gains as the share of value added and differentiated brands targeted towards specific consumer segments of the bicarb portfolio continued to show strong growth.

Cement

The cement market scenario showed improvement in both demand and price realisation in the Company's targeted markets in Gujarat. Cement production volumes were at approximately 5.00 lakh tonnes during the year under review against 5.16 lakh tonnes during the previous year. Cement sales during the year were at approximately 4.83 lakh tonnes against 5.08 lakh tonnes during the previous year. While production and sales volume of cement were marginally lower than the corresponding figures in the previous year due to operational constraints, its price realisations and profitability improved significantly during the year, largely due to its rigorous quality focus and customer connect initiatives undertaken during the year.

Salt

During the year, the Iodised salt production in Mithapur was 9,60,596 tonnes, 4.4% higher than the previous year. Overall, branded salt sales were at 10,58,772 tonnes in FY 2017-18.

Tata Salt grew by 2.2% in sales volume over the previous year to reach sales volume of 9,24,863 tonnes in FY 2017-18. It continues to be the largest distributed brand with a reach of 17.8 lakh retail outlets across India. Tata Salt Lite grew by 3.3% in sales volume and achieved volumes of 20,261 tonnes in FY 2017-18. I-Shakti salt continued to drive the iodisation movement, complimenting Tata Salt with a sale of 91,656 tonnes in FY 2017-18.

1.2 OVERSEAS OPERATIONS

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

The production volumes at TCNA were higher by 5.8% during the year, the highest since FY 2010-11 and the second highest volumes ever made by the site, due to the success of the reliability program initiated in recent years. Sales volumes were higher by 4.9% during the year. TCNA posted gross revenue of US$ 498.88 million (₹ 3,215.52 crore) for the year ended 31 March, 2018 against US$ 476.11 million (₹ 3,193.48 crore) in the previous year.

Revenue increased during the year due to higher sales volumes which helped offset the adverse sales mix and pricing.

During the year, EBITDA at TCNA was US$ 108.66 million (₹ 700.36 crore) against US$ 95.85 million (₹ 642.91 crore) in the previous year. Favourable soda ash production, Trona pile movement, soda ash sales volumes and miscellaneous income was partly offset by adverse sales pricing and mix, sales and general administration expense, inventory adjustment and plant spend.

Profit before tax and profit after tax and non-controlling interest for the year under review were at US$ 76.22 million (₹ 491.27 crore) and US$ 74.13 million (₹ 477.80 crore) respectively against US$ 67.15 million (₹ 450.40 crore) and US$ 31.56 million (₹ 211.69 crore) respectively during the previous year.

1.2.2 Tata Chemicals Europe Limited and British Salt Limited

Tata Chemicals Europe Limited's business consists of soda ash, sodium bicarbonate and energy units while British Salt Limited manufactures and sells industrial and food grade salt. Combined, they represent the UK Operations.

The turnover of UK Operations for the year was £168.00 million (₹ 1,436.53 crore) against £184.4 million (₹ 1,614.81 crore) in the previous year. The reduction represents lower volumes of imported soda ash through its dedicated facility during the year, leading to a reduction in the group's share of the UK market. Otherwise the group companies maintained their share of UK markets in its key products. There was no income from gas storage related activities during the year against £5.00 million (₹ 42.75 crore) in the previous year. Overall production and manufacturing efficiency levels were similar to the previous year, despite interruptions caused by a fire at the Lostock site in May 2017 and the loss of the spare gas turbine at the UK Operations' combined heat and power plant in January 2018. Sales demand remained strong throughout the year across the product range and exports continued to benefit from the weakness of Sterling vs. Euro and US Dollar.

The UK group took the opportunity to refinance and restructure its operations in March 2018. This has reduced borrowing costs as well as provided additional, targeted funding for a number of key developmental capital projects, which are in progress.

EBITDA for the year was £ 25.50 million (₹ 218.04 crore) against £ 26.30 million (₹ 230.31 crore) in the previous year and the profit on ordinary activities before taxation was £6.90 million (₹ 59.00 crore) against £ 11.50 million (₹ 100.71 crore) in the previous year after taking into account credits in respect of derivative mark-to-market adjustments of £ 0.20 million (₹ 1.71 crore) against £2.50 million (₹ 21.89 crore) in the previous year.

The profit after tax was £ 6.90 million (₹ 59.00 crore) against £ 11.50 million (₹ 100.71 crore) in the previous year.

1.2.3 Tata Chemicals Magadi Limited ('TCML')

During the year, TCML soda ash production volumes increased by 7.9% and the sales volume increased by 23.4% over the previous year.

During the year, TCML achieved total sales of US$ 76.54 million (₹ 493.34 crore) against the previous year's sales of US$ 59.77 million (₹ 400.90 crore), registering an increase of 28.1%.

During the year under review, TCML posted EBITDA of US$ 13.14 million (₹ 84.69 crore) against US$ 5.53 million (₹ 37.09 crore) in the previous year, an increase of 137.6%

over the previous year. The major contributing factors for the higher EBITDA performance were increased sales volumes and improved plant efficiencies.

The year under review registered Profit after Tax of US$ 6.20 million (₹ 39.96 crore) against US$1.12 million (₹ 7.51 crore) in the previous year. Better cash management and collections of outstanding VAT receivable resulted in lower than budget interest cost.

1.2.4 Tata Chemicals International Pte Limited ('TCIPL')

The primary activities of TCIPL, a wholly owned subsidiary of the Company, constitute trading, procurement and managing investments in overseas subsidiaries. TCIPL engages in trading of soda ash in South East Asia and Middle East, and manages procurement of some key raw materials. TCIPL is also exploring opportunities in allied products in these markets.

During FY 2017-18, TCIPL revenue was US$ 86.75 million (₹ 559.14 crore) and Other Income representing dividend from its wholly owned subsidiaries was US$ 14.90 million (₹ 96.04 crore). Profit after Tax was US$ 5.30 million (₹ 34.16 crore).

2. OTHER AGRI INPUTS

Rallis India Limited ('Rallis')

Rallis' consolidated revenue (net of excise) was at ₹ 1,790.94 crore as against ₹ 1,663.52 crore in the previous year, up by 7.7%. Consolidated net profit stood at ₹ 167.02 crore, lower by 1.9% over the consolidated net profit of ₹ 170.22 crore in the previous year (excluding exceptional item of ₹ 126.85 crore). Standalone revenue from operations (net of excise), at ₹ 1,498.42 crore, were 8.1% higher than the previous year's revenue of ₹ 1,385.71 crore. Net profit, at ₹ 141.49 crore, grew marginally by 1.7% against the net profit of ₹ 139.18 crore in the previous year.

Despite the irregular monsoon pattern and constrained acreages of few key crops in important geographies, Rallis was able to grow the domestic business by over 11% against the previous year. Even in areas where the industry faced regulatory issues, Rallis has managed to maintain its business due to acceptance of Rallis Samrudh Krishi at both channel and farmer level. Rallis' International Business Division achieved a revenue growth of 9% during the year, growing to ₹ 479 crore, as against ₹ 441 crore during FY 2016-17. During the year, Rallis has gained 14 registration approvals in several countries and also successfully launched 5 brands around the globe.

Rallis has launched five new products during the year. These are Pulito, a leading fungicide used for specialty crops for the control of a wide spectrum of diseases as well as to increase plant/ fruit health; Cenator, a new age ready - mix formulation of Fluxapyroxad + Epoxiconazole for Paddy Sheath Blight; Odis, which is a one-shot ready mix of well proven chemistry with different mode of actions for effective control of sucking pests of rice and cotton, with a significant impact on paddy crop production; Riceup, an innovative formulation, oil dispersion with broad spectrum systemic herbicide for the management of major weeds in both direct seeded rice and transplanted rice; and Jashn Super, introduced for the control of key lepidopteron pest, which causes significant losses to commercial crops.

During the year, Rallis made progress to establish the cotton and rice seeds portfolio and grew revenues by 74% over the previous year. Three new products were launched, viz. cotton Anjusha for North, Hybrid Rice RIL 222 in the fine grain segment and Selection Rice Akshitha in the fine grain segment.

In Agri Services, sales of GeoGreen increased by about 25% over the previous year. Grapes RSK initiative continued its good performance with substantial increase in farmers seeking this service. A few additional modules for water management and pest management were added to make it more valuable for the farmers.

3. OTHERS

During the year, the 'Others' segment including pulses, spices, water purifiers and nutritional solutions achieved a total revenue of ₹ 146.07 crore against ₹ 374.83 crore in the previous year, down by 61.0%.

Pulses

Tata Sampann is the only national player in the branded packaged pulses space. This year, pulses production in India saw a growth of around 20% over last three-year average. This has resulted in low prices throughout the year. The Company has continued to focus on protein delivery through pilot launches in various platforms like dal based mixes and organic pulses. The Company has also realigned the go-to-market model to improve freshness on shelf and focused specially on the modern distribution channels.

Spices

During the year, three new variants were added in the Tata Sampann spices portfolio viz. Sambhar Masala, Pav Bhaji Masala and Chat Masala. The "Aaj Ka Masaledar Sach" campaign continued to drive communication regarding the superiority of Tata Sampann spices. The Company continued to focus on modern channels and e-commerce along with investments in brand to create a differentiated proposition.

Water Purifier

Water purifier business continued to promote affordable clean drinking water through alternate marketing channels including partnering with NGOs, village level entrepreneurs and introduction of more cost-effective products. This year the water purifier business introduced community based gravity non-electric water purification solutions targeting schools and small hamlets.

During the current year, following the decision to give increased impetus and greater access to clean drinking water, the water purifier business will be taken up through a social enterprise foundation, Ncourage Social Enterprise Foundation. This Foundation was incorporated under Section 8 of the Companies Act, 2013 ('the Act') by the Company to establish and promote social businesses which provide business solutions to social issues and will initially focus on clean drinking water.

Nutritional Solutions

FY 2017-18 was another milestone year in developing infrastructure and capabilities. With a committed capital outlay of ₹ 270 crore, the construction of the world-class 5,000 MTPA manufacturing plant at Mambattu, Nellore, Andhra Pradesh is on schedule. The business has also steadily built capabilities in IPR clinical studies, product conceptualisation through customer partnership, complex fermentation technologies and gut microbiome data models.

The business performance in FY 2017-18 was driven through a mix of Prebiotics [Fructo-oligosaccharide ('FOS') and Galacto-oligosaccharide ('GOS')] manufactured at Sriperumbudur near Chennai and complementary products in the food ingredient space. Supported by strong plant performance and encouraging customer response, overall in this financial year, the business achieved a turnover of ₹ 33.80 crore, a jump of over 30.0% over the previous year.

Operations at Sriperumbudur remained stable and the plant supported the increased customer demand by producing higher quantities across multiple grades of FOS. Project execution at Nellore, Andhra Pradesh is underway with the ground-breaking ceremony performed in November 2017, civil construction is on track and most major equipment have been ordered. While sales of FOS and GOS continue to remain buoyant, our newly introduced product offerings also found wide acceptance in food and beverages, infant nutrition, nutraceutical, pharmaceuticals and animal nutrition segments. A gross total of 1,700 tonnes of products were sold in India to 600+ customers across 105 cities. With the upcoming expansion, the business is in process of creating an international distribution network for select markets.

Advance Materials

The Company signed a Business Transfer Agreement with M/s. Allied Silica Limited ('ASL'), on April 7, 2018, to acquire their business of precipitated silica, on a slump sale and going concern basis, for a consideration of upto ₹ 123 crore to be paid subject to fulfillment of certain agreed conditions and milestones. The acquisition includes the existing manufacturing site, which is recently commissioned, for precipitated silica at SIPCOT Industrial Park Phase II, Cuddalore, Tamil Nadu.

This acquisition is part of the ₹ 295 crore investment approved by the Board of TCL in February 2017 for entry into the Highly Dispersible Silica ('HDS') business. Upon completion of the acquisition, this will represent yet another step in TCL's journey to build technologically enabled, differentiated businesses, with greater customer centricity while leveraging its core strengths. The manufacture of HDS is in line with our focus to grow our specialty business, along with our consumer business.

Precipitated silica is a versatile product with applications in many industries including rubber, oral care, coatings and agrochemicals. The acquisition also offers the possibility of producing high performance value added silica. This specialty chemical represents a downstream value addition to Tata Chemicals soda ash business, where it ranks among the top manufacturers globally.

The technology to manufacture HDS has been developed at the Company's Innovation Centre in Pune.

FERTILISER BUSINESS (DISCONTINUED OPERATIONS)

As mentioned above, the Company sold the Urea and Customised Fertiliser business situated at Babrala, Uttar Pradesh to Yara India effective 12 January, 2018. During the year under review, the Company also entered into a Business Transfer Agreement with IRC Agrochemicals Private Limited, a subsidiary of Indorama Holdings B.V., Netherlands, for the sale of its Phosphatic Fertilisers Business and the Trading Business comprising bulk and non-bulk fertilisers situated at Haldia, West Bengal subject to certain regulatory and other approvals. The Company is intending to close the pesticides and seeds business and has considerably wound down the same during the year.

In view of the above, the entire business is now classified as Discontinued Operations in the financial statements for the year ended 31 March, 2018.

During the year, sales revenue of Discontinued Operations stood at ₹ 4,086.91 crore against ₹ 4,616.80 crore in the previous year. The Profit after Tax from Discontinued Operations was ₹ 1,142.49 crore against ₹ 113.47 crore in the previous year (includes exceptional items of ₹ 1,213.99 crore).

FINANCE

The Company did not raise any long term borrowing during the year under review. In the month of October 2017, the Company repaid, upon maturity, the 1st instalment of US$ 63.27 million relating to the external commercial borrowing of US$ 190 million raised during FY 2013-14.

As a result of efforts to improve net working capital and accretion of cash during the year, the short term financing requirements reduced substantially during second half of the financial year. Any requirements during the first half were satisfied through Commercial Papers or working capital demand loans, all repaid during the year. Pursuant to the announcement of Special Banking Arrangement by the Department of Fertilizers, Government of India, during March 2018, the Company availed loans against subsidy receivables totalling ₹ 307.95 crore. The gross outstanding balance of subsidy receivables as on 31 March, 2018 was ₹ 858.69 crore (31 March, 2017: ₹ 1,684.41 crore).

During the year, overseas subsidiaries of the Company carried out the following refinancing exercises:

- Tata Chemicals International Pte. Ltd: Refinanced US$ 200 million for five years and repaid the existing loan of US$ 200 million.
- Homefield Pvt. UK Ltd: Refinanced US$ 28.50 million for five years and repaid existing loan of US$ 28.00 million.
- Homefield 2 UK Limited group: Entities in the UK group prepaid an existing term loan and revolving credit facilities totalling £ 133.20 million and entered into two separate facilities. Tata Chemicals Holdings Europe Limited and subsidiaries undertook a new agreement for term loan and revolving credit facilities aggregating £ 100 million for a tenor of five years (drawn at 31 March, 2018: £ 89 million). Cheshire Salt Holdings Limited and subsidiaries entered into new agreement for term loan and revolving credit facilities aggregating £ 55 million for a tenor of five years (amount drawn at 31 March, 2018: £ 50 million).

In September 2017, the Company sold its investment of 4,31,75,140 shares of Tata Global Beverages Limited, realising ₹ 920.07 crore.

In January 2018, the Company completed the sale of the Urea business to Yara India and received a consideration of ₹ 2,682 crore (subject to post completion working capital adjustments).

Dividends from subsidiaries/joint venture

Rallis, a subsidiary of the Company and IMACID, a joint venture, paid dividends of ₹ 36.50 crore (FY 2016-17: ₹ 24.34 crore) and ₹ 9.82 crore (FY 2016-17: ₹ 21.02 crore) respectively to the Company. Tata Chemicals North America Inc., a step-down subsidiary of the Company, paid a dividend of US$ 12.34 million (FY 2016-17: US$ 10 million) which has been deployed towards operational requirements and external finance costs at TCIPL, Singapore.

Credit Ratings

There were no changes in the credit rating of the Company. As at 31 March, 2018, the Company had the following credit ratings:

- Long Term Corporate Family Rating of Ba1/Stable from Moody's Investors Service
- Long-Term Issuer Default Rating (IDR) of BB+ with Stable outlook from Fitch Ratings
- INR denominated Non-Convertible Debentures of ₹ 250 crore are rated at CARE AA+ with Stable outlook by CARE Ratings and BWR AA+ (Stable) by Brickwork Ratings
- Long term bank facilities (fund-based limits) of ₹ 1,897 crore and short term bank facilities (non-fund based limits) of ₹ 2,448 crore are rated at CARE AA+ (Outlook: Stable) and CARE A1+, respectively, by CARE Ratings
- Short term debt programme (including Commercial Paper) of ₹ 600 crore is rated at CRISIL A1+ by CRISIL Ratings

Tata Chemicals North America Inc. credit rating at 31 March, 2018 was:

- A Long Term Corporate Family Rating of Ba3/Stable, Senior Secured Bank Credit Facility rating of Ba3/LGD4 and Sp. Grade Liquidity rating of SGL-2 from Moody's Investors Service
- A Corporate credit rating of B+/Stable and issue level ratings of BB/Recovery rating 1(95%) on Senior Secured debt from S&P Global

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report initiatives taken from an environmental, social and governance perspective in the prescribed format is available as a separate section of this Annual Report and also available on the Company's website viz. www.tatachemicals.com.

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on materiality of related party transactions and manner of dealing with related party transactions which is available on the Company's website at the link: http://tatachemicals.com/upload/content_pdf/tcl_rpt_policy.pdf.

All related party transactions entered into during FY 2017-18 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered during the financial year by the Company. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the internal audit team. Thereafter, a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis for its review.

The details of the transactions with related parties are provided in the accompanying financial statements.

RISK MANAGEMENT POLICY

The Risk Management policy of the Company lays down the framework of Risk Management promoting a proactive approach in reporting, evaluating and resolving risks associated with the business. Mechanisms for identification and prioritisation of risks include scanning the business environment and internal risk factors. Analysis of the risks identified is carried out by way of focused discussion at the meetings of the empowered Risk Management Group (Senior Leadership team) and Risk Management Committee of the Board.

The robust governance structure has also helped in the integration of the Enterprise Risk Management process with the Company's strategy and planning processes where emerging risks are used as inputs in the strategy and planning process.

Identified risks are used as one of the key inputs for the development of strategy and business plan. The respective risk owner selects a series of actions to align risks with the Company's risk appetite and risk tolerance levels to reduce the potential impact of the risk should it occur and/or to reduce the expected frequency of its occurrence. Mitigation plans are finalised, owners are identified and progress of mitigation actions are monitored and reviewed. The risk management process has been rolled out to overseas subsidiaries including domestic business.

Although non-mandatory, the Company has constituted a Risk Management Committee ('RMC') to oversee the risk management efforts in the Company under the chairmanship of Dr. Y.S.P. Thorat, Independent Director. Risk assessment update is provided to the RMC on periodical basis. RMC assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls. Some of the risks identified are set out in the Management Discussion and Analysis which forms part of this Annual Report.

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of Listing Regulations, it is mandatory for the top 500 listed entities, based on market capitalisation, as on 31 March of every financial year to formulate a Dividend Distribution Policy ('Policy') and disclose the same in the Annual Report and on the website of the Company.

Accordingly, the Board of Directors of the Company has adopted the Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders. The Policy is attached to this Annual Report as **Annexure 1** and same is available on the Company's website under the 'Investors' section at http://www.tatachemicals.com/upload/content_pdf/tcl-dividend-distribution-policy.pdf.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The CSR activities of the Company are governed by the CSR, Safety and Sustainability Committee of the Board. The Corporate Social Responsibility Policy ('CSR Policy') approved by the Board guides in designing CSR activities for improving quality of life of society and conserving the environment and bio-diversity in a sustainable manner.

The Company has adopted a participatory approach in designing need based CSR programs which are implemented through Tata Chemicals Society for Rural Development, Okhai Centre for Empowerment, Uday Foundation and in partnership with various government and non-government institutions. The Company carried out its CSR activities in Mithapur, Babrala, Haldia and Sriperumbudur and also in remotest parts of India like Sundarbans (West Bengal), Kutch & Banaskantha (Gujarat), Dharni (Maharashtra), Barwani (Madhya Pradesh), etc.

The Company has an integrated approach to community development which helps in touching all aspects of society such as livelihood, education, health, environment and empowerment of the weaker section of the society. The Company has a special focus on affirmative action for inclusion of dalits and tribals.

The overall CSR activities of the Company have been named as BEACoN which stands for Blossom, Enhance, Aspire, Conserve and Nurture.

- The Blossom programme focuses on promotion of livelihood of the rural artisans by supporting in establishing market linkages of the traditional handicrafts. Okhai is the flagship program under Blossom.
- The Enhance programme focuses on alleviation of poverty among the rural masses by enhancing productivity of agriculture and livestock and providing basic infrastructure support. Unnati and Pashu Palak Mitra are two very important interventions under Enhance.
- The Aspire programme targets the students of all grades and youth who are drop-outs and looking for employment opportunities. The support is provided by improving the quality of education in schools, providing scholarship support to students and imparting vocational skills to youth for a meaningful employment.
- The Conserve programme ensures environmental conservation through land and water management activities, preservation of bio-diversity and mitigation of climate change impacts. 'Dharti Ko Arpan' is the flagship program under Conserve.
- The Nurture programmes provide healthcare, nutrition, sanitation and drinking water solutions to the rural masses.

The Company focusses on inclusion of marginalised population of the society especially the dalit, tribal and women in all its CSR programmes and also responds to any disasters.

The CSR Policy is available on the Company's website at http://www.tatachemicals.com/upload/content_pdf/csr-policy_20161012071424.pdf.

The Annual Report on CSR activities is annexed as **Annexure 2** to this report.

WHISTLEBLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Protected disclosures can be made by a whistleblower through several channels. 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. The details of the policy are given in the corporate governance report and also posted on the website of the Company viz. www.tatachemicals.com.

PREVENTION OF SEXUAL HARASSMENT ('POSH')

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes the dignity of all employees. The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition, and redressal of sexual harassment at workplace. This is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

Four complaints of sexual harassment were received during the year for which the Company has taken appropriate actions ranging from minor (counselling) and major actions (termination). Mandatory online refresher course was conducted for all white collar job and more than 30 POSH classroom trainings were conducted across locations covering permanent, contractual/third party employee/ interns.

The POSH committee members participated in POSH master class conducted for capability building.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans during the year under review. The details of investments made during the year are given hereunder:

Sr. No.	Name of the Party	Nature of Transaction	(₹ in crore)
1.	The Indian Hotels Company Limited	Investment in Equity Shares through rights issue	13.36
2.	Ncourage Social Enterprise Foundation (Section 8 company)	Investment in Equity Shares	0.05
3.	Tata Steel Limited	Investment in Equity Shares through rights issue	20.33
4.	Tata Steel Limited	Investment in partly paid Equity Shares through rights issue	3.07

During the year under review, the Company did not provide any additional corporate guarantees.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries for FY 2017-18 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Auditor's Report thereon form part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate annual accounts in respect of subsidiaries are available on the website of the Company.

The annual accounts of the subsidiaries and related detailed information will be kept at the registered office of the Company and will be available to investors seeking information till the date of the AGM. The same will also be available at the venue of the AGM.

SUBSIDIARY COMPANIES AND JOINT VENTURES

As on 31 March, 2018, the Company had 36 (direct and indirect) subsidiaries (5 in India and 31 overseas) and 5 joint venture companies.

There were following changes in the subsidiaries during the year :-

i. Grown Energy Zambeze Holdings Pvt. Ltd., Mauritius; Grown Energy (Pty) Ltd., South Africa; and Grown Energy Zambeze Limitada, Mozambique have ceased to be subsidiaries with effect from 28 June, 2017.

ii. Ncourage Social Enterprise Foundation was incorporated as a Section 8 company with effect from 8 December, 2017 as a wholly owned subsidiary of the Company.

iii. Brunner Mond Generation Company Limited has dissolved with effect from 19 December, 2017 and accordingly, ceased to be a subsidiary.

iv. Brunner Mond Limited has dissolved with effect from 2 January, 2018 and accordingly, ceased to be a subsidiary.

With a view to reduce the number of subsidiaries and rationalising the group structure, the Board at its meeting held on 23 March, 2018 approved the merger of Bio Energy Venture – 1 (Mauritius) Pvt. Ltd., a wholly owned subsidiary, with the Company through a Scheme of Merger subject to the approval of the Reserve Bank of India, if required, and the Hon'ble National Company Law Tribunal.

The Company's policy on determining material subsidiaries, as approved by the Board, is uploaded on the Company's website at http://www.tatachemicals.com/upload/content_pdf/material_subsidiary.pdf.

A report on the financial position of each of the subsidiaries and joint venture companies as per the Act is provided in Form AOC-1 attached to the financial statements.

DETAILS OF SIGNIFICANT MATERIAL ORDERS

No significant and material orders were passed by the regulators or the courts or tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company uses an established ERP system to record day to day transactions for accounting and financial reporting.

The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Appointment

Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors appointed Ms. Padmini Khare Kaicker as an Additional Director of the Company with effect from 1 April, 2018 in accordance with Article 133 of the Company's Articles of Association and Section 161(1) of the Act. She holds office upto the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying the intention to propose her appointment as Director. She was also appointed as an Independent Director for a period of 5 years with effect from 1 April, 2018 upto 31 March, 2023 subject to approval of the Members at the ensuing AGM.

Pursuant to the recommendations of the NRC, the Board of Directors appointed Mr. Zarir Langrana as an Additional Director of the Company with effect from 1 April, 2018 in accordance with Article 133 of the Company's Articles of Association and Section 161(1) of the Act. He was also appointed as the Executive Director of the Company for a period of 5 years with effect from 1 April, 2018 upto 31 March, 2023 subject to approval of the Members at the ensuing AGM. He holds office upto the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying the intention to propose his appointment as Director.

Re-appointment

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Bhaskar Bhat, Non-Executive Director of the Company, retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

Based on the recommendations of the NRC, the Board of Directors had at its Meeting held on 18 May, 2018 re-appointed Mr. R. Mukundan as Managing Director & CEO of the Company for a period of 5 years commencing from 26 November, 2018 upto 25 November, 2023. His re-appointment and remuneration payable to him are subject to the approval of the Members at the ensuing AGM.

Independent Directors

In terms of Section 149 of the Act, Mr. Nasser Munjee, Dr. Y.S.P. Thorat, Ms. Vibha Paul Rishi and Ms. Padmini Khare Kaicker are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

Details of the Familiarisation Programme for Independent Directors are provided separately in the Corporate Governance Report.

Key Managerial Personnel ('KMP')

In terms of the provisions of Section 2(51) and Section 203 of the Act, the following are the KMP of the Company:

- Mr. R Mukundan, Managing Director & CEO
- Mr. Zarir Langrana, Executive Director (w.e.f. 1 April, 2018)
- Mr. John Mulhall, Chief Financial Officer
- Mr. Rajiv Chandan, General Counsel & Company Secretary

Governance Guidelines

The Company has adopted the Governance Guidelines on Board Effectiveness to fulfill its corporate governance responsibility towards its stakeholders. The Governance Guidelines cover aspects relating to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director's remuneration, subsidiary oversight, code of conduct, review of Board effectiveness and mandates of Committees of the Board.

Procedure for Nomination and Appointment of Directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and the Listing Regulations. The relevant information has been given in **Annexure 3** which forms part of this report.

Board Evaluation

The Board has carried out the annual performance evaluation of its own performance, and that of its Committees and Individual Directors for the year pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board was based on the Guidance Note issued by SEBI on Board evaluation which included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members. The criteria for performance evaluation of the Committees was based on the Guidance Note issued by SEBI on Board evaluation which included aspects such as stucture and composition of Committees, effectiveness of Committee meetings, etc.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman (as elected by the Board for each meeting of the Board of Directors) taking into account the views of Executive Director(s) and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is set out in **Annexure 4** which forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

(b) they have selected such accounting policies and applied them consistently and made judgements 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 and of the profit of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls except in respect of fraudulent issue of credit notes; where the processes and controls are being reviewed and revised to ensure adequate visibility of the expenditure to the Company, are adequate and are operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, are provided in **Annexure 5** to this report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are enclosed as **Annexure 6** to this report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this report. Further, the Report and the Accounts are being sent to the members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement is open for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

I. Auditors and their report:

At the AGM held on 9 August, 2017, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of five consecutive years. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

II. Cost Auditors and Cost Audit report:

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board on the recommendation of the Audit Committee has appointed M/s. D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditors of the Company for FY 2018-19 under Section 148 and all other applicable provisions of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

M/s. D. C. Dave & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, a Resolution for seeking members' ratification for the remuneration payable to M/s. D. C. Dave & Co. is included at item No. 11 of the Notice convening the AGM.

III. Secretarial auditor

In terms of Section 204 of the Act and Rules made thereunder, M/s. Parikh & Associates, Practicing Company Secretaries, have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 7** to this report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in their Report.

OTHER DISCLOSURES

I. Details of Board meetings

During the year under review, 9 (nine) Board Meetings were held, details of which are provided in the Corporate Governance Report.

II. Composition of Audit Committee

During the year under review, the Audit Committee comprised 3 (three) Members out of which 2 (two) were Independent Directors and 1 (one) was a Non-Executive Director. During the year, 8 (eight) Audit Committee meetings were held, details of which are provided in the Corporate Governance Report. Ms. Padmini Khare Kaicker, an Independent Non-Executive Director, was appointed as a member of the Audit Committee with effect from 1 April, 2018.

III. Composition of CSR, Safety and Sustainability Committee

The Committee comprises 3 (three) Members out of which 1(one) is an Independent Director. During the year, 3 (three) CSR, Safety and Sustainability Committee meetings were held, details of which are provided in the Corporate Governance Report.

IV. Secretarial Standards

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is enclosed as **Annexure 8** to this report.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your 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

Bhaskar Bhat
Director

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

Dividend Distribution Policy

Scope and Purpose

Tata Chemicals Limited ('the Company') shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The Securities and Exchange Board of India ('SEBI') vide its notification dated 8 July, 2016 has inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has made it mandatory for the top 500 listed entities, based on market capitalisation, as on 31 March of every financial year to formulate a Dividend Distribution Policy ('Policy'). The Board of Directors of the Company at its Meeting held on 29 March, 2017 has adopted the Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders.

Objective

The Policy defines the conditions for paying a dividend. The Board of Directors will recommend any annual dividend based on this Policy as well as any specific financial or market conditions prevailing at the time. The intention of the Policy is to set out the broad criteria to be considered when determining what dividend to declare or not declare to the shareholders of the Company.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

Parameters adopted with regards to various classes of shares	The Company has one class of equity share and no preference share capital. Any declared dividend will be divided equally among all shareholders, on the record date.
Frequency	Dividends will generally be declared once a year after the announcement of full year results but before the Annual General Meeting. In years of exceptional gains or other events a special dividend may be declared.
Internal and External Factors	When determining the annual dividend, the Company will consider, amongst other matters: • The level of dividends paid historically • Actual results for the year and the outlook for business operations • Providing for anticipated capital expenditures or acquisitions, to further enhance shareholder value or meet strategic objectives • Setting aside cash to meet debt repayments • Retaining earnings to provide for contingencies or unforeseeable events • The overall economic environment • Changes in the cost and availability of external financing • Changes in government policy, industry rulings and regulatory provisions
Financial Parameters	As in the past, subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Based on the above, the Company will endeavour to maintain the steady level of dividend per share over the medium term.
Utilisation of retained earnings	• Capital expenditure • Organic/Inorganic growth • General corporate purposes, including contingencies • Investments in the new/existing business • Any other permitted use under the Companies Act, 2013

Disclosure

The Board of Directors will review the policy annually. Any revisions in the Policy will be communicated to shareholders in a timely manner. The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. www.tatachemicals.com.

Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

On behalf of the Board of Directors

Bhaskar Bhat
Director

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') and Rules made thereunder]

A. CSR REPORT:

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	Tata Chemicals Limited ('the Company') is committed to upholding the highest standards of CSR. We endorse the Tata Group purpose of improving the quality of life of the communities we serve through long term stakeholder value creation. We believe in positively impacting the environment and supporting the communities we operate in, focusing on sustainability of our programmes and empowerment of our communities. The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the web link for the same is http://www.tatachemicals.com/upload/content_pdf/csr-policy_20161012071424.pdf.
2.	The composition of the CSR Committee.	i. Mr. S. Padmanabhan (Chairman) ii. Ms. Vibha Paul Rishi iii. Mr. R. Mukundan
3.	Average net profit of the Company for last three financial years	₹ 839.79 crore (as per Section 198 of the Act)
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 16.80 crore
5.	Details of CSR spent for the financial year:	
	a. Total amount spent for the financial year	₹ 14.28 crore
	b. Amount unspent, if any:	₹ 2.52 crore
	c. Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount has been spent is detailed in Part B of the Annexure
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Funds have been allocated to ongoing projects that are being implemented over 2-3 years. Expenditure is being done based on implementation status of the projects. Out of unspent amount of ₹ 2.52 crore, ₹ 1.70 crore was spent in the month of April 2018. The balance amount of ₹ 0.82 crore will be spent in the financial year 2018-19, as agreed by the Board.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

B. CSR EXPENDITURE FOR FINANCIAL YEAR 2017-18

Sr. No	CSR project / Activity Identified	Sector in which the project is covered	Location of Projects or programmes Local Area/District & State	Amount Outlay and Budget (₹ in lakh)	Amount spent on projects or programmes (₹ in lakh) Direct on project / overheads	Cumulative Expenditure upto reporting period (as on 31 March, 2018) (₹ in lakh)	Amount spent Direct by Organisation / Implementing agency
1.	Okhai and Cluster development programme	Promotion and development of traditional handicrafts	Mithapur: Devbhoomi Dwarka, Gujarat, Babrala: Sambal, U.P. Haldia: Midnapur, W.B.	116.50	81.00	81.00	**Amount spent through the following channels:** **Direct:** • Tata Chemicals Limited **Implementation Agencies Internal:** • Tata Chemicals Society for Rural Development • OKHAI- Centre for Empowerment • UDAY Foundation • Tata Chemicals Golden Jubilee Trust • Employee volunteers **Implementation Agencies External:** • Government agencies • Local Panchayats • NGOs Community based organisations • Skill development agencies • Environment Conservation Groups • Other Resource agencies (Also refer the names listed below)
2.	Poverty alleviation programme	Poverty alleviation, livelihood enhancement & infrastructure support	Mithapur: Devbhoomi Dwarka, Gujarat Babrala: Sambal, U.P. Haldia: Midnapur, W.B. Mumbai: Maharashtra NCR: Delhi	119.80	106.00	106.00	
3.	Infrastructure support programme						
4.	Education & vocational skill development programme	Education and vocational skill development	Mithapur: Devbhoomi Dwarka, Gujarat 6 districts, Babrala: Sambal, U.P. Aligarh: U.P. Haldia: Midnapur, W.B. Mumbai: Maharashtra	343.04	366.00	366.00	
5.	Natural resource management & Dharti Ko Arpan	Environmental sustainability	Mithapur: Devbhoomi Dwarka, Gujarat, Babrala: Sambal, U.P. Haldia: Midnapur, W.B. Mumbai: Maharashtra NCR: Delhi	444.94	463.00	463.00	
6.	Health care, drinking water & sanitation projects	Health care, nutrition, sanitation and safe drinking water	Mithapur: Devbhoomi Dwarka, Gujarat, Babrala: Sambal, U.P. Haldia: Midnapur, W.B. Mumbai : Maharashtra NCR: Delhi	382.82	187.00	187.00	
7.	Affirmative action for the socially backward communities & self-help group promotion	Inclusive growth & empowerment	Mithapur: Devbhoomi Dwarka, Gujarat, Babrala: Sambal, U.P. Haldia: Midnapur, W.B.	123.92	115.00	115.00	
8.	Need based (Disaster & other relief)/donations	Relief	-	75.00	75.00	75.00	
9.	Administration & miscellaneous expenses	-	-	73.98	35.00	35.00	
	TOTAL			**1,680.00**	**1,428.00**	**1,428.00**	

Names of Implementing Agencies:

- District Rural Development Agency
- Water and Sanitation Management Organisation
- Gujarat Green Revolution Corporation
- Government of Gujarat Irrigation Department
- Gram Technology
- Taluka Panchayat
- Krishi Vikas Kendra
- Sarva Siksha Abhiyan
- Gujarat Agriculture University
- Gujarat Forest Department
- District Animal Husbandry Department
- District Education Department
- Coastal Salinity Prevention Cell
- Ambuja Cement Foundation
- American India Foundation
- Wild Life Trust of India
- Tagore Society for Rural Development
- Tata Trusts/Tata Strive

R. Mukundan
Managing Director & CEO

S. Padmanabhan
Chairman – CSR, Safety and Sustainability Committee

Mumbai, 18 May, 2018

Annexure 3 to Board's Report

Criteria for Determining Qualifications, Positive Attributes and Independence of Directors

1. Definition of Independence

- A director will be considered as an 'Independent Director' ('ID') if the person meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations').
- The definition of Independent Director is as provided in the Act and Listing Regulations.
- Current and ex-employees of a Tata company[1] may be considered as independent only if he/she has or had no pecuniary relationship with any Tata company (due to employment/receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ('NRC') consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- ID's ideally should be thought/ practice leaders in their respective functions/ domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1. "Act in accordance with the articles of the company.
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
4. Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
6. Not assign his office".

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Act and adopted by the Board. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices."

On behalf of the Board of Directors

Bhaskar Bhat **Director**	**R. Mukundan** **Managing Director & CEO**

Mumbai, 18 May, 2018

[1] *'Tata company' shall mean every company in which Tata Sons Limited or Tata Industries Limited or any company promoted by Tata Sons Limited or Tata Industries Limited is promoter or a company in which such companies whether singly or collectively hold directly or indirectly 26% or more of the paid-up equity share capital OR in which the shareholding of such companies represents the largest Indian holding apart from holdings of financial institutions/mutual funds OR a company which is permitted by Tata Sons Limited to use the Tata brand name.*

Remuneration Policy for Directors, Key Managerial Personnel and other Employees

The philosophy for remuneration of Directors, Key Managerial Personnel ('KMP') and all other employees of Tata Chemicals Limited ('Company') is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ('Act') and Listing Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ('NRC') has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Key principles governing this remuneration policy are as follows:

➢ Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NED') may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognised best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/management, site visits, induction and training (organised by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

➢ Remuneration for Managing Director ('MD')/Executive Directors ('ED')/KMP/rest of the employees[1]

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be -

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual
- Reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.

[1] *Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.*

In terms of remuneration mix or composition,

- The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The Company provides retirement benefits as applicable.
- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

➢ **Remuneration payable to Director for services rendered in other capacity.**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

a) The services rendered are of a professional nature; and

b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

➢ **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

On behalf of the Board of Directors

Bhaskar Bhat	**R. Mukundan**
Director	**Managing Director & CEO**

Mumbai, 18 May, 2018

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

- Enhancement of bromine plant throughput and cement mill efficiency at Mithapur
- Improve low grade heat recovery in soda ash plant and produced sweet water generation at Mithapur
- Converted double effect evaporation to triple effect evaporation in (Make Up Water) MUW-4 Reconfiguration Phase III at Mithapur
- Replacement of pre-heater of ammonia still to reduce the heat load across the stack cooler at Mithapur
- New capital projects being done with energy efficient motors, energy efficient lighting, high efficiency distribution transformers and Intelligent Motor Control Centers at Mithapur
- Replacement of super heater coils at Sulfuric Acid Plant (SAP2) and use of medium pressure steam from Sulfuric Acid Plant (SAP1) in Turbo Generator (TG) motive section by modification of Pressure Reducing Device System (PRDS) loop resulted in improvement of TG generation rating from 750 KwH to more than 1,100 KwH leading to increased power generation at Haldia
- Replacement of MV Lamps with LED lights at old and new warehouse leading to saving of energy at Haldia
- Installation of capacitor bank at Haldia resulting in total savings of ₹ 34 lakhs during the year based on rebate of power factor improvement
- Reuse of the Evaporator Process condensate resulting in saving of 10% of ground water in terms of Kilolitres at Sriperumbudur
- Saving of energy by installation of Variable Frequency Drive (VFDs) for Evaporator product circulation, sugar charging system and cooling tower fan by varying its speed based on temperature at Sriperumbudur
- Synchronisation of DG set at Innovation Centre, Pune resulting in reduction of diesel consumption
- Replacement of low efficiency High Pressure Sodium Vapour (HPSV) and Plug-in Light fittings with efficient LED light fittings at Babrala

(ii) Steps taken by the Company for Utilising Alternate Sources of Energy:

- Use of wind mill at Mithapur
- Use of solar light at Mithapur
- Solar power having 10 KwH are used for street lights at Innovation Centre, Pune
- Replacement of conventional borewell system with solar borewell system at Sriperumbudur

(iii) Capital Investment on Energy Conservation Equipment:

Sr. No.	Description	Location	Investment (₹ In lakhs)
1.	MUW-4 Reconfiguration Phase II & III (Phase II is ₹ 6,800.16 lakhs)	Mithapur	10,092.71
2.	Lime Kiln 8 overhauling Longterm Asset Management Plan ('LAMP')	Mithapur	319.90
3.	Ammonia still pre-heater LAMP No. 4	Mithapur	145.79
4.	CO_2 gas screw compressor - Turbine No. 6 overhauling and PLC upgradation	Mithapur	403.06
5.	Ammonia still stack cooler No. 2	Mithapur	136.35
6.	Cost of solar borewell system	Sriperumbudur	6.50
7.	Cost of VFD for Evaporator and Sugar charging system	Sriperumbudur	1.20
8.	Distribution of TG power in warehouse and bagging plant	Haldia	9.67
9.	Installation of LED lighting stand at logistic and warehouse platform	Haldia	4.79
10.	Energy conservation equipment	Babrala	90.00
	Total		**11,209.97**

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

- "UDHE" technology absorption for reduction of specific power consumption in Chloro Caustic Plant (in process) at Mithapur
- Upgradation of Alkali Bypass System to comply with environmental norms at Mithapur
- Semi-Automatic Liquid Filling Machine for Liquid Product Packing at Sriperumbudur
- Spray drying area Double Flap Valve was installed in place of Rotary Valve at Sriperumbudur
- Cooling Plate Heat Exchanger (PHE) installed to replace the Jacket cooling of Sugar Solution at Sriperumbudur
- Saving of electrical power and fuel at Innovation Centre, Pune

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Data generation for process scale up and commercial plant feasibility evaluation at Mithapur
- 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 at Mithapur
- Elimination of Manual Weighing and Filling Process and Batch output deceleration from Supervisory Control and Data Acquisition (SCADA) in place of manual at Sriperumbudur
- The Spray Drying Working capacity increased from 33% to 66% at Sriperumbudur
- Cooling cycle time reduced from 12-14 hours to 4-6 hours at Sriperumbudur
- Cost reduction by saving in fuel cost due to synchronisation of DG set at Innovation Centre, Pune

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a)	The details of technology imported	Palletizer for IVSD 50 kg bags at Peripheral Yard	Bicarb Pelletizer by Concetti
(b)	The year of import	2017-18	2015
(c)	Whether the technology has been fully absorbed	Yes	Yes
(d)	If not fully absorbed, areas where absorption has not taken place and the reasons thereof	NA	NA

(iv) Expenditure incurred on Research and Development:

₹ in crore

	2017-18	2016-17
Capital Expenditure	8.45	4.50
Revenue Expenditure	33.75	34.96
Total R&D expenditure	**42.20**	**39.46**
Total R&D expenditure as a percentage of net sales	**0.56%**	**0.48%**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

₹ in crore

	2017-18	2016-17
Foreign Exchange Earned	34.99	55.51
Outgo of Foreign Exchange	1,261.72	1,777.44

On behalf of the Board of Directors

Bhaskar Bhat
Director

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

Disclosure of Managerial Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2017-18 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary is as under:

Name of Director	Ratio to median remuneration	% increase in remuneration over previous year
Non-Executive Directors		
Mr. Nasser Munjee	13.64:1	9.40
Dr. Y. S. P. Thorat	13.74:1	43.00
Ms. Vibha Paul Rishi	7.35:1	74.2
Mr. Bhaskar Bhat	0.65:1	(88.00)*
Mr. S. Padmanabhan	1.02:1	(45.05)*
Executive Directors		
Mr. R. Mukundan, Managing Director	97.8:1	13.42
Key Managerial Personnel		
Mr. John Mulhall, Chief Financial Officer	-	34.34
Mr. Rajiv Chandan, General Counsel & Company Secretary	-	33.14

Note: Remuneration includes sitting fees and commission for Non-Executive Directors. Commission relates to the financial year ended 31 March, 2018, which will be paid during FY 2018-19.

* In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat and Mr. S. Padmanabhan, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies.

B. Percentage increase in the median remuneration of employees in the FY 2017-18: 3.10%

C. Number of permanent employees on the rolls of the Company as on 31 March, 2018: 2,327

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	5.19
Average increase in remuneration of managerial personnel	13.42

E. Affirmation:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Bhaskar Bhat
Director

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

Annexure 7 to Board's Report

FORM No. MR-3

Secretarial Audit Report for the Financial Year Ended 31 March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
TATA CHEMICALS LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Chemicals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31 March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time **(Not applicable to the Company during the audit period)**;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the audit period)**;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**; **and**

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period).**

(vi) Other laws applicable specifically to the Company namely :

  1. Food Safety and Standards Act, 2006, rules and regulations thereunder;

  2. Legal Metrology Act, 2009 and rules and regulations thereunder;

  3. The Fertiliser Control Order, 1985.

We have also examined compliance with the applicable clauses of the following:

  (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

  (ii) The Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. The Company has spent an amount of ₹ 14.28 crore against the amount of ₹ 16.80 crore to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes of the Meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines, etc.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

a) Completion of sale and transfer of Urea and Customized Fertilisers Business to Yara Fertilisers India Private Limited on 12 January, 2018 after receipt of requisite regulatory approvals, fulfillment of Conditions Precedent and sanction of the Hon'ble National Company Law Tribunal;

b) The Board of Directors of the Company, at its meeting held on 6 November, 2017, approved the sale of its Phosphatic Fertilisers Business and the Trading Business and all related assets situated at Haldia in West Bengal to IRC Agrochemicals Private Limited ('IRC'), wholly owned subsidiary of Indorama Holdings BV, Netherlands by way of slump sale and on a going concern basis for a consideration of ₹ 375 crore. In terms of Section 180(1)(a) of the Act, approval of the Members of the Company was obtained on 10 January, 2018 for the proposed transaction under the provisions of Section 110 of the Act read with applicable Rules through postal ballot. The proposed transaction is subject to receipt of all the requisite regulatory and statutory approvals.

c) The Board of Directors at their meeting held on 23 March, 2018 approved the Scheme of Amalgamation for the merger of Bio Energy Venture 1 (Mauritius) Pvt. Ltd., a wholly owned subsidiary of the Company, with the Company. The merger is subject to the necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date : 18 May, 2018

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
TATA CHEMICALS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date : 18 May, 2018

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

FORM No. MGT-9

Extract of Annual Return as on the Financial Year ended 31 March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 ('Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	**Registration and Other Details**	
i)	CIN	L24239MH1939PLC002893
ii)	Registration Date	23 January, 1939
iii)	Name of the Company	TATA CHEMICALS LIMITED
iv)	Category / Sub-Category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	Bombay House 24, Homi Mody Street, Fort, Mumbai – 400 001 Telephone: + 91 22 6665 8282 Fax: +91 22 6665 8144 email: investors@tatachemicals.com website: www.tatachemicals.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar & Share Transfer Agents (RTA)	TSR Darashaw Limited Unit: Tata Chemicals Limited 6 – 10 Haji Moosa Patrawala Industrial Estate 20 Dr. E Moses Road Near Famous Studio Mahalaxmi, Mumbai – 400 011 Telephone: +91 22 6656 8484 Fax: +91 22 6656 8494 email: csg-unit@tsrdarashaw.com website: www.tsrdarashaw.com
II.	**Principal Business Activities of the Company**	
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated	As per Annexure A
III.	**Particulars of Holding, Subsidiary and Associate Companies**	As per Annexure B
IV.	**Shareholding Pattern (Equity Share Capital Breakup as Percentage Of Total Equity)**	As per Annexure C
i)	Category-wise Shareholding	
ii)	Shareholding of Promoters	
iii)	Change in Promoters' Shareholding (please specify, if there is no change)	
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	
v)	Shareholding of Directors and Key Managerial Personnel	
V.	**Indebtedness**	
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Annexure D
VI.	**Remuneration of Directors and Key Managerial Personnel**	As per Annexure E
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	
B.	Remuneration to other Directors	
C.	Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole Time Director	
VII.	**Penalties / Punishment/ Compounding of Offences**	As per Annexure F

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	Soda Ash	20122	40%
2.	Vacuum and Iodised Salt	08932	36%

Note: Phosphatic Fertilisers business and Trading business and Urea business are classified as Discontinued Operations and hence not reported in the table above.

Annexure B

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Rallis India Limited (Rallis) 156/ 157, 15th Floor, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021	L36992MH1948PLC014083	Subsidiary	50.06%	2(87)(ii)
2.	Ncourage Social Enterprise Foundation Ground Floor, East Wing Leela Business Park, Andheri Kurla Road Andheri East, Mumbai - 400059	U74999MH2017NPL302618	Subsidiary	100%	2(87)(ii)
3.	Bio Energy Venture -1 (Mauritius) Pvt. Ltd., IFS Court TwentyEight, Cybercity, Ebene, Mauritius	Not applicable	Subsidiary	100%	2(87)(ii)
4.	Homefield Pvt. UK Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
5.	Tata Chemicals Africa Holdings Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
6.	Tata Chemicals South Africa (Pty) Limited 140 Johnstone Road, Maydon Wharf Durban 4001, South Africa	Not applicable	Subsidiary	100%	2(87)(ii)
7.	Tata Chemicals Magadi Limited Mond House Winnington, Northwich, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
8.	Magadi Railway Company Limited PO Box 1, Magadi, Lake Magadi, Kenya	Not applicable	Subsidiary	100%	2(87)(ii)
9.	Homefield 2 UK Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
10.	Tata Chemicals (Europe) Holdings Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
11.	Cheshire Salt Holdings Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
12.	Cheshire Salt Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
13.	British Salt Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
14.	Brinefield Storage Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
15.	Cheshire Cavity Storage 2 Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
16.	Cheshire Compressor Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
17.	Irish Feeds Limited Sinclair Wharf, Stormont Road, Belfast, BT3 9AA	Not applicable	Subsidiary	100%	2(87)(ii)
18.	New Cheshire Salt Works Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
19.	Brunner Mond Group Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
20.	Tata Chemicals Europe Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
21.	Winnington CHP Limited Mond House, Winnington, Northwich Cheshire, UK, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
22.	Northwich Resource Management Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
23.	Gusiute Holdings (UK) Limited Mond House, Winnington, CW8 4DT, UK	Not applicable	Subsidiary	100%	2(87)(ii)
24.	Valley Holdings Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
25.	Tata Chemicals North America Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
26.	TCNA (UK) Limited 21, Holborn, Viaduct London EC1A 2DY, UK	Not applicable	Subsidiary	100%	2(87)(ii)
27.	General Chemical International Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
28.	NHO Canada Holdings Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
29.	TCSAP Holdings* 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	75%	2(87)(ii)
30.	TCSAP LLC 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	75%	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
31.	Tata Chemicals (Soda Ash) partners (TCSAP)* 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	75%	2(87)(ii)
32.	Tata Chemicals International Pte. Ltd (TCIPL) 78, Shenton Way, # 17-01/02 Singapore (079120)	Not applicable	Subsidiary	100%	2(87)(ii)
33.	Rallis Chemistry Exports Ltd.@ 156/157, 15th Floor, Nariman Bhavan 227, Nariman Point, Mumbai - 400 021	U74990MH2009PLC193869	Subsidiary	100%	2(87)(ii)
34.	Metahelix Life Sciences Ltd. (Metahelix)@ Plot No: 3, K.A.I.A.D, 4th Phase Bommasandra, Bangalore 560 099	U73100KA2000PLC028246	Subsidiary	100%	2(87)(ii)
35.	PT Metahelix Lifesciences Indonesia# Rukan Thamrin Residence RB/15F, Jl. Kebon Kacang Raya, Kel. Kebon Melati Kec. Tanah abang, Jakarta Pusat	Not applicable	Subsidiary	65.77%	2(87)(ii)
36.	Zero Waste Agro Organics Ltd@ Kapil Towers, First Floor, S. No. 40-1/B Near Sagam Bridge, Dr. Ambedkar Road, Pune 411 001	U01400PN2011PLC141307	Subsidiary	100%	2(87)(ii)
37.	Alcad^ 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Joint Venture	50%	2(6)
38.	Indo Maroc Phosphore S.A. Immeuble OCP -1, Rue Alabtal Erraha, Casablanca, Maroc	Not applicable	Joint Venture	33.33%	2(6)
39.	JOil (S) Pte. Ltd.% 1 Research Link, Singapore 117604	Not applicable	Joint Venture	33.78%	2(6)
40.	The Block Salt Company Limited& Harvey Softeners Limited, Hipley Street, Old Woking, Surrey, GU22 9LQ	Not applicable	Joint Venture	50%	2(6)
41.	Natronx Technologies LLC$ Princeton South Corporate Park, 500 Charles Ewing Boulevard, Ewing, New Jersey 08628, USA	Not applicable	Joint Venture	33.3%	2(6)

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

@ *Rallis is holding 100%*

\# *Metahelix, Subsidiary of Rallis is holding 65.77%*

^ *a general partnership formed under the laws of the State of Delaware (USA) wherein TCSAP is holding 50%*

& *New Cheshire Salt Works Limited is holding 50%*

% *TCIPL is holding 33.78%*

$ *TCSAP is holding 33.3%*

Annexure C

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Shareholding

Category code (I)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1 April, 2017				Number of shares held at the end of the year 31 March, 2018				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(A)	**Promoters (including Promoter Group)**									
(1)	**Indian**									
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Governments	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	7,80,97,992	200	7,80,98,192	30.66	7,80,97,992	200	7,80,98,192	30.66	0.00
(e)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)									
	- Trust	3,74,165	0	3,74,165	0.15	3,74,165	0	3,74,165	0.15	0.00
	Sub-Total (A) (1)	**7,84,72,157**	**200**	**7,84,72,357**	**30.80**	**7,84,72,157**	**200**	**7,84,72,357**	**30.80**	**0.00**
(2)	**Foreign**									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**7,84,72,157**	**200**	**7,84,72,357**	**30.80**	**7,84,72,157**	**200**	**7,84,72,357**	**30.80**	**0.00**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	4,37,16,300	3,194	4,37,19,494	17.16	6,31,06,584	1,528	6,31,08,112	24.77	7.61
(b)	Banks/Financial Institutions	3,05,381	59,129	3,64,510	0.14	9,28,276	53,259	9,81,535	0.39	0.24
(c)	Central Government	13,59,086	0	13,59,086	0.53	0	0	0	0.00	(0.53)
(d)	State Governments	0	71,598	71,598	0.03	273	71,598	71,871	0.03	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	2,06,39,526	401	2,06,39,927	8.10	1,82,72,160	162	1,82,72,322	7.17	(0.93)
(g)	Foreign Institutional Investors/ Foreign Portfolio Investors	4,43,17,189	2,600	4,43,19,789	17.40	2,82,18,093	1,840	2,82,19,933	11.08	(6.32)
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	**11,03,37,482**	**1,36,922**	**11,04,74,404**	**43.36**	**11,05,25,386**	**1,28,387**	**11,06,53,773**	**43.44**	**0.07**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	1,56,43,934	72,400	1,57,16,334	6.17	1,30,99,247	66,030	1,31,65,277	5.17	(1.00)
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,42,88,347	69,19,085	4,12,07,432	16.18	3,46,64,567	56,56,553	4,03,21,120	15.83	(0.35)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	37,79,890	2,22,937	40,02,827	1.57	54,37,763	2,22,937	56,60,700	2.22	0.65

Category code (I)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1 April, 2017				Number of shares held at the end of the year 31 March, 2018				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(c)	Any Other (Specify)									
	- Bodies Corporate NBFC	12,366	0	12,366	0.00	2,78,705	0	2,78,705	0.11	0.10
	- Clearing Members	7,43,214	0	7,43,214	0.29	4,85,742	0	4,85,742	0.19	(0.10)
	- Director or Director's Relatives	500	0	500	0.00	500	0	500	0.00	0.00
	- Foreign Companies/OCBs	65	0	65	0.00	0	0	0	0.00	0.00
	- Foreign Nationals	350	0	350	0.00	350	0	350	0.00	0.00
	- Foreign Nationals - DR	30,402	0	30,402	0.01	30,402	0	30,402	0.01	0.00
	- Foreign Portfolio Investors IND	77	0	77	0.00	77	0	77	0.00	0.00
	- HUF	12,30,887	80	12,30,967	0.48	12,83,751	80	12,83,831	0.50	0.02
	- IEPF	0	0	0	0.00	10,01,576	0	10,01,576	0.39	0.39
	- LLP	1,06,096	0	1,06,096	0.04	1,82,862	0	1,82,862	0.07	0.03
	- Non-Resident Indian (NRI)	15,68,237	1,37,603	17,05,840	0.67	17,49,235	1,10,941	18,60,176	0.73	0.06
	- Trusts	10,52,838	209	10,53,047	0.41	13,58,621	209	13,58,830	0.53	0.12
	Sub-total (B) (2)	**5,84,57,203**	**73,52,314**	**6,58,09,517**	**25.83**	**5,95,73,398**	**60,56,750**	**6,56,30,148**	**25.76**	**(0.07)**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**16,87,94,685**	**74,89,236**	**17,62,83,921**	**69.20**	**17,00,98,784**	**61,85,137**	**17,62,83,921**	**69.20**	**0.00**
	TOTAL (A)+(B)	**2,472,66,842**	**74,89,436**	**25,47,56,278**	**100.00**	**24,85,70,941**	**61,85,337**	**25,47,56,278**	**100.00**	**0.00**
(C)	Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**24,72,66,842**	**74,89,436**	**25,47,56,278**	**100.00**	**24,85,70,941**	**61,85,337**	**25,47,56,278**	**100.00**	**0.00**

(ii) Shareholding of Promoters (Including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 April, 2017			Shareholding at the end of the year 31 March, 2018			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
1.	Tata Sons Limited (Promoter)	4,93,06,423	19.35	0.00	5,97,86,423	23.47	0.00	4.11
2.	Tata Investment Corporation Limited*	1,52,00,001	5.97	0.00	1,52,00,001	5.97	0.00	0.00
3.	Tata Global Beverage Limited*	1,11,85,522	4.39	0.00	7,05,522	0.28	0.00	(4.11)
4.	Ewart Investments Limited*	13,69,290	0.54	0.00	13,69,290	0.54	0.00	0.00
5.	Simto Investment Company Limited*	5,18,000	0.20	0.00	5,18,000	0.20	0.00	0.00
6.	Sir Dorabji Tata Trust*	2,59,425	0.10	0.00	2,59,425	0.10	0.00	0.00
7.	Voltas Limited*	2,00,440	0.08	0.00	2,00,440	0.08	0.00	0.00
8.	Tata Coffee Limited*	1,60,000	0.06	0.00	1,60,000	0.06	0.00	0.00
9.	Tata Industries Limited*	77,647	0.03	0.00	77,647	0.03	0.00	0.00
10.	Tata Motors Limited*	70,249	0.03	0.00	70,249	0.03	0.00	0.00
11.	Sir Ratan Tata Trust*	68,041	0.03	0.00	68,041	0.03	0.00	0.00
12.	J R D Tata Trust*	46,699	0.02	0.00	46,699	0.02	0.00	0.00
13.	Tata Motors Finance Limited*	10,060	0.00	0.00	10,060	0.00	0.00	0.00
14.	Titan Company Limited*	560	0.00	0.00	560	0.00	0.00	0.00
	TOTAL	**7,84,72,357**	**30.80**	**0.00**	**7,84,72,357**	**30.80**	**0.00**	**0.00**

** Part of Promoter Group*

(iii) Change in Promoters (Including Promoter Group) Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 1 April, 2017)		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company			No of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Tata Sons Limited (Promoter)	4,93,06,423	19.35	19 September, 2017	Purchase of shares	1,04,80,000	4.11	5,97,86,423	23.47
2.	Tata Investment Corporation Limited*	1,52,00,001	5.97	-	-	-	-	152,00,001	5.97
3.	Tata Global Beverage Limited*	1,11,85,522	4.39	19 September, 2017	Sale of shares	(1,04,80,000)	(4.11)	7,05,522	0.28
4.	Ewart Investments Limited*	13,69,290	0.54	-	-	-	-	13,69,290	0.54
5.	Simto Investment Company Limited*	5,18,000	0.20	-	-	-	-	5,18,000	0.20
6.	Sir Dorabji Tata Trust*	2,59,425	0.10	-	-	-	-	2,59,425	0.10
7.	Voltas Limited *	2,00,440	0.08	-	-	-	-	2,00,440	0.08
8.	Tata Coffee Limited*	1,60,000	0.06	-	-	-	-	1,60,000	0.06
9.	Tata Industries Limited*	77,647	0.03	-	-	-	-	77,647	0.03
10	Tata Motors Limited*	70,249	0.03	-	-	-	-	70,249	0.03
11.	Sir Ratan Tata Trust*	68,041	0.03	-	-	-	-	68,041	0.03
12.	J R D Tata Trust*	46,699	0.02	-	-	-	-	46,699	0.02
13.	Tata Motors Finance Limited*	10,060	0.00	-	-	-	-	10,060	0.00
14.	Titan Company Limited*	560	0.00	-	-	-	-	560	0.00

** Part of Promoter Group*

(iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1.	**ICICI Prudential Mutual Fund**				
	At the beginning of the year	1,80,53,193	7.09	1,80,53,193	7.09
	Bought during the year	35,13,639	1.38	2,15,66,832	8.47
	Sold during the year	(61,47,298)	(2.41)	1,54,19,534	6.05
	At the end of the year	1,54,19,534	6.05	1,54,19,534	6.05
2.	**HDFC Trustee Company Limited**				
	At the beginning of the year	11,43,100	0.45	11,43,100	0.45
	Bought during the year	1,29,57,056	5.09	1,41,00,156	5.53
	Sold during the year	(2,70,000)	(0.11)	1,38,30,156	5.43
	At the end of the year	1,38,30,156	5.43	1,38,30,156	5.43
3.	**ICICI Prudential Life Insurance Company Limited**				
	At the beginning of the year	1,26,58,471	4.97	1,26,58,471	4.97
	Bought during the year	6,46,250	0.25	1,33,04,721	5.22
	Sold during the year	(31,36,479)	(1.23)	1,01,68,242	3.99
	At the end of the year	1,01,68,242	3.99	1,01,68,242	3.99
4.	**Aditya Birla Sun Life Trustee Private Limited**				
	At the beginning of the year	57,33,106	2.25	57,33,106	2.25
	Bought during the year	58,40,983	2.29	1,15,74,089	4.54
	Sold during the year	(16,34,999)	(0.64)	99,39,090	3.90
	At the end of the year	99,39,090	3.90	99,39,090	3.90

Sr. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
5.	**Franklin Templeton Investment Funds**				
	At the beginning of the year	80,31,746	3.15	80,31,746	3.15
	Bought during the year	1,05,000	0.04	81,36,746	3.19
	Sold during the year	(32,22,070)	(1.26)	49,14,676	1.93
	At the end of the year	49,14,676	1.93	49,14,676	1.93
6.	**The New India Assurance Company Limited**				
	At the beginning of the year	34,17,850	1.34	34,17,850	1.34
	Bought during the year	0	0.00	34,17,850	1.34
	Sold during the year	0	0.00	34,17,850	1.34
	At the end of the year	34,17,850	1.34	34,17,850	1.34
7.	**General Insurance Corporation of India**				
	At the beginning of the year	36,00,005	1.41	36,00,005	1.41
	Bought during the year	50,000	0.02	36,50,005	1.43
	Sold during the year	(2,40,000)	(0.09)	34,10,005	1.34
	At the end of the year	34,10,005	1.34	34,10,005	1.34
8.	**L&T Mutual Fund Trustee Limited**				
	At the beginning of the year	7,13,090	0.28	7,13,090	0.28
	Bought during the year	25,68,200	1.01	32,81,290	1.29
	Sold during the year	(2,22,000)	(0.09)	30,59,290	1.20
	At the end of the year	30,59,290	1.20	30,59,290	1.20
9.	**UTI Mutual Fund**				
	At the beginning of the year	45,71,463	1.79	45,71,463	1.79
	Bought during the year	5,88,444	0.23	51,59,907	2.03
	Sold during the year	(23,23,750)	(0.91)	28,36,157	1.11
	At the end of the year	28,36,157	1.11	28,36,157	1.11
10.	**Templeton India Equity Income Fund**				
	At the beginning of the year	2,867,321	1.13	28,67,321	1.13
	Bought during the year	4,69,318	0.18	33,36,639	1.31
	Sold during the year	(5,18,400)	(0.20)	28,18,239	1.11
	At the end of the year	28,18,239	1.11	28,18,239	1.11
11.	**Life Insurance Corporation of India**				
	At the beginning of the year	66,17,168	2.60	66,17,168	2.60
	Bought during the year	0	0.00	66,17,168	2.60
	Sold during the year	(38,24,863)	(1.50)	27,92,305	1.10
	At the end of the year	27,92,305	1.10	27,92,305	1.10
12.	**Government Pension Fund Global**				
	At the beginning of the year	71,07,551	2.79	71,07,551	2.79
	Bought during the year	0	0.00	71,07,551	2.79
	Sold during the year	(43,84,519)	(1.72)	27,23,032	1.07
	At the end of the year	27,23,032	1.07	27,23,032	1.07
13.	**Mirae Asset Mutual Fund**				
	At the beginning of the year	28,69,037	1.13	28,69,037	1.13
	Bought during the year	3,50,000	0.14	32,19,037	1.26
	Sold during the year	(5,45,752)	(0.21)	26,73,285	1.05
	At the end of the year	26,73,285	1.05	26,73,285	1.05

Note:

1. *The above information is based on the weekly beneficiary position received from the depositories*
2. *The date wise increase/decrease in shareholding of the top 10 shareholders is available on the website of the Company www.tatachemicals.com*

(v) Shareholding of Directors and Key Management Personnel

Sr. No.	Name of Directors/KMP	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Mr. R. Mukundan (Managing Director & CEO)**				
	At the beginning of the year	500	-	500	-
	At the end of the year	500	-	500	-

Note:

1. *Mr. Nasser Munjee, Dr. Y.S.P. Thorat, Ms. Vibha Paul Rishi, Mr. Bhaskar Bhat and Mr. S Padmanabhan did not hold any shares of the Company during the year 2017-18.*
2. *Mr. John Mulhall, Chief Financial Officer and Mr. Rajiv Chandan, General Counsel & Company Secretary, the Key Managerial Personnel, did not hold any shares during FY 2017-18.*
3. *Mr. Zarir Langrana, who was appointed as an Executive Director with effect from 1 April, 2018, holds 3,666 shares of the Company.*

Annexure D

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment:-

₹ in crore

	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	611.84	1,799.48	-	2,411.32
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	71.49	-	71.49
	Total (i+ii+iii)	**611.84**	**1,870.97**	**-**	**2,482.81**
Change in Indebtedness during the financial year *					
●	Addition	307.95	568.17	-	876.12
●	Reduction	585.65	1,334.60	-	1,920.25
	Net Change	**(277.70)**	**(766.43)**	**-**	**(1,044.13)**
Indebtedness at the end of the financial year					
i)	Principal Amount	334.14	1,073.07	-	1,407.21
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	31.47	-	31.47
	Total (i+ii+iii)	**334.14**	**1,104.54**	**-**	**1,438.68**

* *Includes interest accrued but not due*

VI. **Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹)

Sr. No.	Particulars of Remuneration	Mr. R. Mukundan Managing Director & CEO
1..	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,41,40,075
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1,39,207
	(c) Profits in lieu of the salary under Section 17(3) of the Income Tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify…. (Performance based)	3,30,00,000*
5.	Others (Contribution to PF)	11,52,000
	Total	**5,84,31,282**
	Ceiling as per the Companies Act, 2013 (@5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013- in crore)	70.15

** Commission relates to FY 2017-18, which will be paid during FY 2018-19*

B. Remuneration to other Directors:

(₹)

Sr. No.	Particulars	Fee for attending Board/ Committee Meetings	Commission	Others, please specify	Total Amount
I.	**Independent Directors**				
1.	Mr. Nasser Munjee	6,50,000	75,00,000	-	81,50,000
2.	Dr. Y. S. P. Thorat	7,10,000	75,00,000	-	82,10,000
3.	Ms. Vibha Paul Rishi	3,90,000	40,00,000	-	43,90,000
Total (1)		**17,50,000**	**1,90,00,000**	**-**	**2,07,50,000**
II.	**Other Non-Executive Directors**				
4.	Mr. Bhaskar Bhat	3,90,000	*	-	3,90,000
5.	Mr. S. Padmanabhan	6,10,000	*	-	6,10,000
Total (2)		**10,00,000**	**-**	**-**	**10,00,000**
Total Managerial Remuneration (1+2)		**27,50,000**	**1,90,00,000**		**2,17,50,000**
Ceiling as per the Companies Act, 2013 (@ 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 – in crore)					14.03

** In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat and Mr. S. Padmanabhan, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies.*

Note: Ceiling limits are for FY 2017-18. Commission relates to FY 2017-18, which will be paid during FY 2018-19

C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director / Manager / Whole Time Director

(₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		John Mulhall	Rajiv Chandan
		Chief Financial Officer	General Counsel & Company Secretary
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,44,25,916	1,30,45,913
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	36,82,725	2,85,565
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Options	-	-
3.	Sweat Equity	-	-
4.	Commission	N.A.	N.A.
5.	Others (Contribution to PF and Superannuation, as applicable)	5,32,800	7,15,716
	Total	**2,86,41,441**	**1,40,47,194**

Annexure F

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

On behalf of the Board of Directors

Bhaskar Bhat
Director

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

Management Discussion and Analysis

BUSINESS ENVIRONMENT

Global Economic Outlook

The global pick-up in economic activity that started in the second half of 2016 gained further momentum in the first half of 2017. According to the International Monetary Fund ('IMF'), growth is projected to rise over 2018 and 2019 in emerging markets and developing economies, supported by improved external factors - a benign global financial environment and a recovery in advanced economies.

Global output is estimated to have grown by 3.7% in 2017 (0.5% higher than in 2016). Global growth forecasts for 2018 and 2019 have been revised upward by 0.2% to 3.9%. The revision reflects an increased global growth momentum. For the two-year forecast horizon, the upward revisions to the global outlook result mainly from advanced economies, where growth is now expected to exceed 2% in 2018 and 2019. This forecast reflects the expectation that favourable global financial conditions and strong sentiment will help maintain the recent acceleration in demand, especially in investment, with a noticeable impact on growth in economies with large exports. In addition, the United States ('US') tax reform and associated fiscal stimulus are expected to temporarily raise US growth, with favourable demand spill overs for US trading partners, especially Canada and Mexico, during this period.

In the IMF's World Economic Outlook update for January 2018, the growth forecast in US has been raised from 2.3% to 2.7% in 2018 and from 1.9% to 2.5% in 2019. The forecast has been revised up given stronger than expected activity in 2017, higher projected external demand and the expected macroeconomic impact of the tax reform, in particular the reduction in corporate tax rates and the temporary allowance for full expensing of investment.

Growth rates for many of the Euro area economies have been marked up, especially for Germany, Italy and the Netherlands, reflecting the stronger momentum in domestic demand and higher external demand.

The Euro area recovery was expected to gather strength in 2017, with growth projected to rise to 2.1% in 2017, before moderating to 1.9% in 2018. The increase in growth in 2017 mostly reflects acceleration in exports in the context of broader pick-up in global trade and continued strength in domestic demand growth supported by accommodative financial conditions amid diminished political risk and policy uncertainty.

Growth in the United Kingdom ('UK') is projected to subside to 1.5% in 2018. The downward revision to the 2017 forecast relative to the April 2017 World Economic Outlook is driven by weaker-than-expected growth outturns for the first two quarters of the year. The slowdown is driven by softer growth in private consumption as the Pound's depreciation weighed on household real income. The medium-term growth outlook is highly uncertain and will depend in part on the new economic relationship with the European Union ('EU') and the extent of the increase in barriers to trade, migration and cross-border financial activity.

Growth in the Sub-Sahara region is anticipated to pick-up to 3.2% in 2018 from 2.4% in 2017. Stronger growth will depend on a firming of commodity prices and implementation of reforms. A drop in commodity prices, steeper-than-anticipated global interest rate increases and inadequate efforts to ameliorate debt dynamics could set back economic growth. South Africa is forecast to tick up to 1.1% growth in 2018 from 0.8% in 2017. Nigeria is anticipated to accelerate to a 2.5% expansion this year from 1% in the year just ended.

The Kenyan economy faced multiple headwinds in 2017 as a result of which GDP growth is projected to dip in the coming years. A drought in the earlier half of the year, the on-going slowdown in private sector credit growth and a prolonged election cycle weakened private sector demand, notwithstanding an expansionary fiscal stance. Nonetheless, reflecting the relatively diverse economic structure, these headwinds were partially mitigated by the recovery in tourism, better rains in the second half of the year, still low global oil prices and a relatively stable macroeconomic environment.

Growth in the East Asia region is forecast to slip to 6.2% in 2018 from an estimated 6.4% in 2017 due to a structural slowdown in China; which is seen offsetting a modest cyclical pick-up in the rest of the region. However, risks to the outlook have become more balanced. Indonesia is forecast to grow to 5.3% in 2018 from 5.1% in 2017. Growth in the Southern Asia region is forecast to accelerate to 6.9% in 2018 from an estimated 6.5% in 2017. Consumption is expected to stay strong, exports are anticipated to recover and investment is on track to revive as a result of policy reforms and infrastructure upgrades. Setbacks to reform efforts, natural disasters or an upswing in global financial volatility could slow growth.

In the Middle East, growth slowed significantly in 2017 on the back of a slowdown in the Islamic Republic of Iran's economy after very fast growth in 2016 and cuts in oil production in oil exporting countries through March 2018 under the extended Organisation of the Petroleum Exporting Country ('OPEC') agreement. In 2018, growth is expected to increase to 3.5%, mostly reflecting stronger domestic demand in oil imports and a rebound of oil production in oil exports. However, regional insecurity and geopolitical risks still weigh on the outlook.

India is expected to pick-up to a 7.3% GDP growth rate in Financial Year ('FY') 2018-19 from 6.7% in FY 2017-18. The growth projection for 2017 has been revised down to 6.7% (7.2% in IMF's April 2017 forecast) reflects still lingering disruption associated with the currency exchange initiative as well as transition cost related to the launch of the national Goods and Services Tax ('GST').

In China, growth is projected to moderate to 6.5% in 2018 from 6.8% in 2017. There is an expectation of expansionary policy mix to meet the target of doubling real GDP between 2010 and 2020.

The pace of expansion in Japan is expected to weaken to 0.7% in 2018 from 1.5% in 2017, based on the assumption that fiscal support fades as currently scheduled, private consumption growth moderates and the boost from 2020 Olympics-related private investment is offset by higher imports and slower projected growth in foreign demand.

Key risks to the global forecast are:

I. In the near term, risks to the global growth forecast appear two-sided and broadly balanced. On the upside, momentum could prove to be more durable than expected amid strong consumer and business confidence in, for instance, the Euro area and in East Asia near-term growth could exceed forecast. On the downside, policy uncertainty is more of a concern than usual, reflecting, for example difficult-to-predict US regularity and fiscal policies, the potential adoption of trade restrictions, negotiation of the United Kingdom's relationship with the EU post-Brexit and geopolitical risk.

II. Beyond the immediate term, risks are skewed to the downside and stem from a host of financial tensions, a possible inward looking policy shift and persistently low inflation in advanced economics and a range of non-economic factors.

III. Some of the risks around financial tensions are pertaining to the financial stability risk in China, potential tightening of global financial conditions, risks of capital flow reversal from the emerging market economies, challenges facing Euro area banks around non-performing loans ('NPL'), potential rollback of the strengthening of financial regulations, a retreat from Cross-Border Economic Integration and move towards inward looking policy shift.

Domestic Economic Outlook

In India, growth slowed in FY 2017-18 due to disruptions from the currency exchange initiative ('demonetisation') in November 2016 and, more recently, the rollout of the GST in July 2017. Inflation has been low compared with the mid-point target in recent months, driven by lower food prices, allowing the Central Bank to cut its policy rate in August 2017.

GDP growth forecast for 2017 was cut from 7.2% to 6.7% by IMF and 2018 forecast set to 7.4%, reflecting the recent slowdown in economic activity (IMF World Economic Outlook, October 2017). Economic Survey of India projects a GDP growth of 7.0-7.5% for FY 2018-19. Growth will be underpinned by private consumption, which has benefitted from low food and energy prices, civil service allowance increases and growth in urban wages, ease in lending rates, solid rainfall forecast in the monsoon season and a doubling in farm loan waivers supporting rural households.

A gradual increase in India's growth rate is expected resulting from implementation of important structural reforms. GST, which promises the unification of India's domestic market, is among several measures which is expected to push India's growth above 8% in the medium term, thus outpacing China's growth.

The Union Budget's major push is on growth stimulation, providing relief to the middle and lower middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

The fiscal deficit of the Government of India, which was 4.5% of GDP in FY 2013-14, has steadily reduced to 3.5% in FY 2016-17 and is expected to further decrease to 3.2% of the GDP in FY 2017-18, according to the Reserve Bank of India ('RBI'). Some modest slippage is expected from the 3.2% target due to weaker than expected revenue from GST, higher oil prices and higher rural expenditure.

India's revenue receipts are estimated to touch ₹ 28-30 trillion (US$ 436-467 billion) by 2019, resulting from the Government of India's measures to strengthen infrastructure and reforms such as demonetisation and GST.

The Government of India, under the Make in India initiative, is trying to boost the contribution made by the manufacturing sector and aims to take it up to 25% of GDP from the current 17%. The Government has also launched the Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and improving digital literacy.

Fast Moving Consumer Goods ('FMCG') is the 4th largest sector in the Indian economy. There are three main segments in the sector – food and beverages which accounts for 19% of the sector, healthcare accounts for 31% and household and personal care which accounts for the remaining 50%. Favourable demographics and increasing income levels are expected to give a boost to the FMCG market in India, which is expected to grow at a Compounding Annual Growth Rate ('CAGR') of 20.6% and expected to reach US$ 103.7 billion by 2020 from US$ 49 billion in 2016.

Key trends which are likely to continue in the consumer goods industry are:

I. Consumption is expected to drive this revival in growth as households benefit from higher wages and allowances, along with benign inflation (forecast to be 4.5% in 2018: UN World Economic Situation and Prospects 2018, RBI's monetary policy review) and pre-poll step up in public spending. GST tweaks will help lower the tax incidence on consumers.

II. Growing customer awareness, easier access to products and changing lifestyles are the key growth drivers for the consumer market.

III. Increase in rural consumption to drive the FMCG market.

IV. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51% Foreign Direct Investment ('FDI') in multi-brand and 100% in single-brand retail are some of the major growth drivers for the FMCG market.

Key macroeconomic risks include a slow credit growth due to non-performing assets on bank balance sheets and tightening access to credit for higher risk entities, low capacity utilisation in some industrial sectors and low private investment. However, overall investment is expected to strengthen in 2018, led by public sector capital expenditure alongside FDI.

In India, reform efforts could be aimed at tackling supply bottlenecks, enhancing the efficiency of labour and product markets and modernising the agricultural sector. Labour market reforms such as rationalising labour market regulations may be able to facilitate greater and higher-quality job creation. Another priority area of focus would be on strengthening public banks' loss-absorbing buffers, implementing further public banking sector structural reforms and enhancing public banks' debt recovery mechanisms.

COMPANY OVERVIEW AND OUR SUSTAINABLE, PROFITABLE GROWTH STRATEGY

Tata Chemicals Limited ('the Company' or 'TCL') is a global company with interests in businesses that focus on Living, Industry and Farm Essentials. The story of the Company is about harnessing the fruits of science for goals that go beyond business.

The Company started its journey in Mithapur, Gujarat in Western India in 1939 with the creation of a small plant that would raise a wealth of marine chemicals from the ocean, with a potential to touch human lives in many ways. From these humble beginnings, a global international business was evolved, with operations across the four continents located in India, UK, Kenya and USA. TCL is the world's third largest producer of soda ash with manufacturing facilities in North America, Europe, Asia and Africa, reaches over 148 million households through its Tata Salt brand portfolio in India and covers 80% of India's districts impacting over 5 million farmers through its subsidiaries, Rallis India Limited ('Rallis') and Metahelix Life Sciences Limited ('Metahelix'). To fuel TCL's existing growth and also build a pipeline of innovative products for the future, the Company has established world class R&D facilities such as the Innovation Centre in Pune and Rallis Innovation Chemistry Hub ('RICH') in Bangalore. Our R&D facilities are home to capabilities in nanotechnology, biotechnology, food science and technology and nutrition science.

Apart from innovation, sustainability is also at the core of all of Tata Chemicals' activities. This includes TCL's social responsibility initiatives and is intricately woven into all of the Company's business functions.

The Company continues to transform itself from a commodity and an inorganic chemicals manufacturer towards providing wellness solutions, with a strong focus on consumer, agri and specialty businesses, while further strengthening its core. TCL is making significant progress in its transformation journey by focusing on building brands through greater customer centricity and technology led differentiation. The Company has also embarked on simplification of its business processes, customer experience, portfolio and structures to achieve its transformation goals. TCL is also addressing requisite capability building in each of its businesses to drive long term value creation for stakeholders.

In the inorganic chemicals business, demand and market has been favourable in the year under review with demand and production in China playing a significant role in determining the global prices. Overall inorganic chemicals business will focus on maintaining its leadership position by driving cost efficiencies and customer engagement with a special focus on leveraging technology and scale through operational excellence.

The consumer products business witnessed strong growth across all categories through relentless focus on customer centricity and brand building. Tata Salt was voted as No. 3 in the India's most trusted brands under Food Products category*. During the year, the Company launched new products such as 'Multi-Grain Khichdi Mix', 'Multi-Grain Chilla Mix', 'Moong Dal Chilla Mix' and multiple variants in organic pulses under the Tata Sampann umbrella brand with positive feedback. The Khichdi Mix provides the power of nutritious grains like unpolished moong dal chilka, rice with Indian super grains like ragi, rajgira, jowar and bajra. These newly launched products provide differentiation through scientific innovation. Looking ahead, the business will further improve the reach of salt and build scale for Tata Salt Lite, pulses, besan and spices, with focus on value added products. The business aims to delight consumers by offering wholesome everyday nourishing foods and will continue to conceptualise market shaping value-added opportunities beyond existing categories in the future portfolio.

The agri business will continue to build the specialty agro chemicals and seeds portfolio through TCL's subsidiaries, Rallis and Metahelix.

** Source: ET Brand Equity India's Most Trusted Brands 2017*

The Company is anticipating a normal monsoon in the year ahead and plans to leverage its strong farmer connect and digitisation initiatives to provide enhanced solutions to improve crop productivity and farmers income.

The Innovation Centre in Pune will continue to support the diverse needs of TCL's businesses, alongside synergistic programs with Tata Group companies, by augmenting facilities, internal capabilities and competencies in the chosen technology platforms across Consumer Foods, Nutritional Solutions and Advanced Materials. The Nutritional Solutions unit, operating with a start-up mindset, will focus on building scale in specialty businesses covering food ingredients and formulations, developed at TCL's Innovation Centre.

In Advanced Materials, TCL will focus on manufacturing its Highly Dispersible Silica ('HDS') formulation, to drive the growth of its specialty silica business. In this regard, the Company signed a Business Transfer Agreement with M/s. Allied Silica Limited ('ASL'), on 7 April, 2018, to acquire their business of precipitated silica, on a slump sale basis along with the existing manufacturing site, which is recently commissioned, at SIPCOT Industrial Park Cuddalore, Tamil Nadu. Upon completion of the acquisition, it will represent yet another step in TCL's journey to build technologically enabled, differentiated businesses, with greater customer centricity, leveraging its core strengths.

During the year, the divestment of Urea and Customised Fertiliser Business to Yara Fertilisers India Private Limited ('Yara India') was completed effective 12 January, 2018. During the year under review, the Company also entered into an agreement with IRC Agrochemicals Private Limited ('IRC'), a wholly owned subsidiary of Indorama Holdings BV, Netherlands, to transfer its Phosphatic Fertiliser business located at Haldia and the Trading business comprising bulk and non-bulk fertilisers, on a slump sale basis, subject to regulatory and statutory approvals and conditions precedent. This transaction is expected to close in the first quarter of FY 2018-19.

Maintain Leadership

- Maintain cost leadership and scale further through operational excellence - Global Chemicals (India, US, UK, Kenya)

Grow Rapidly

- Grow through increased product portfolio and strategic sourcing - Consumer Products (Salt, Pulses, Spices and Foods)

Seed and Build

- Develop niche specialty chemicals portfolio through scientific innovation at IC and acquisition of niche specialty chemicals opportunities - Agrochem, Nutritional Solutions, Advanced Materials

Fig: Tata Chemicals Strategic Direction Ahead

BUSINESS UNITS

INORGANIC CHEMICALS

Industry Structure and Developments

The Company is a leading global manufacturer of basic inorganic chemicals, including soda ash and sodium bicarbonate, with manufacturing presence over 4 continents; North America, Europe, Asia and Africa. Our global supply chain gives us a unique advantage to serve our customers with assured supply and efficient service at competitive prices.

With a capacity of ~4.3 million tonnes per annum, TCL is currently the world's 3rd largest soda ash manufacturer. More than two-thirds of this capacity is natural soda ash located at Tata Chemicals Soda Ash Partners, Green River facility, Wyoming in the USA, where the world's largest known deposits of trona are found and at Tata Chemicals Magadi, Lake Magadi in Kenya. In addition to having lower manufacturing costs, natural soda ash helps the Company have a lower energy and environmental footprint. Synthetic soda ash and sodium bicarbonate are manufactured at Mithapur, India and Tata Chemicals Europe, Lostock, UK to largely cater to their respective domestic markets. This process uses raw salt/brine (salt water) and limestone as key raw materials.

Soda Ash

After couple of years of relatively sluggish growth, the global soda ash demand in 2017 is estimated to have grown at an above-average growth rate of ~4% p.a. to reach ~58 million tonnes. This was on the back of a rebound in Chinese demand, that had been flat over recent years, and strong demand growth in emerging economies of South America, South East Asia and India. Several other regions including the developed markets of North America and Europe showed flat to moderate growth during the year. Going ahead, world demand is forecast to grow at ~2% p.a. through 2022.

The Indian market demand growth in FY 2017-18 is estimated to be ~12% p.a. supported by both domestic capacity expansion and higher import volumes. North American volumes are expected to have grown marginally largely due to an increase in export volumes over the previous year. The UK market remained reasonably flat for the year with the Company retaining market leadership. Demand growth in most of the key markets of the Company's African operation like South East Asia and South Asia remained strong.

Global soda ash capacity is estimated to have grown by ~2.5 million tonnes p.a. during the year. After 2 years of capacity consolidation in China, 2017 witnessed a net capacity addition in excess of ~1 million tonnes p.a. Turkey was another region which added ~1.5 million tonnes p.a. capacity during the year as part of its overall plan to exploit its large natural soda ash deposits. India also witnessed ~0.3 million tonnes p.a. capacity addition (10% of total Indian capacity) as leading domestic players expanded operations at their existing production sites. Global capacity is forecast to grow in line with global demand at ~2% p.a. through 2022, with Turkey and Asia leading this capacity addition.

India continues to be a significant importer of soda ash with ~0.84 million tonnes of imports in FY 2017-18, accounting for a little under a quarter of the total domestic demand. The Company recognises the global nature of the soda ash market, characterised by almost a quarter of global volumes being traded, and steadfastly supports fair trade practices. TCL continued to leverage its global supply chain by sourcing soda ash from its units in US and Kenya (along with third parties) to serve TCL's customers in India. Similarly, part of the UK demand is also met from imports from the Company's US unit.

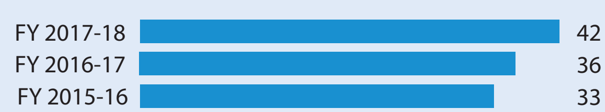
As new Turkish capacity came on-stream during the year, it exerted pressure on soda ash prices, especially in its preferred catchment areas of Western Europe and Latin America. This was mitigated to a large extent by strong growth in global demand especially in Asia. Chinese prices witnessed an upward trend during the year riding on marginal domestic demand growth following capacity consolidation over the last two years. US prices remained largely firm with strong export sales. Regional fluctuations in demand-supply balance, shipping and energy costs, exchange rates and other geopolitical considerations continued to impact soda ash prices. While regional price variations and supply-demand gaps will persist, it is expected that the global prices will continue to reflect movement in the global GDP growth rates and broad energy price cycles.

Sodium Bicarbonate

Sodium bicarbonate is a versatile product finding use in a wide array of applications including food additives, animal feed, pharmaceuticals, dyes and textiles and air pollution control. The Company believes that given its wide range of existing and new applications, sodium bicarbonate is expected to sustain volume growth rates at above-GDP levels along with offering significant value addition potential in the future. The Company is among the top 5 producers of sodium bicarbonate globally with a total capacity of ~0.2 million tonnes p.a. (4% of global capacity) spread across the India and UK sites.

Indian sodium bicarbonate demand grew by 13% in FY 2017-18 against ~7% growth in the previous year. The key drivers of demand included the food, animal feed and other industrial applications. In addition to pursuing capacity expansion to defend TCL market leadership in Indian bicarb market, the Company has also made significant progress in improving the share of branded products in its bicarb portfolio. In FY 2017-18, TCL launched "Medikarb", its pharmaceutical grade product which received excellent response from customers. "Alkakarb" and "Sodakarb", the Company's other bicarb brands have shown strong growth during the year. Going forward, the Company is focused on retaining its volume and value leadership in the bicarb market.

BRANDED BICARB VOLUMES AS A % OF TOTAL BICARB VOLUMES (INDIA) (%)



Tata Chemicals Europe Limited ('TCEL'), retained its UK market share in sodium bicarbonate during the year. The real success for TCEL has been continued strong export growth in accounts across the globe, thus helping the business grow strongly in the year.

Cement

In addition to soda ash and sodium bicarbonate, the Company also manufactures cement as part of its integrated operations at the Mithapur site. The cement plant not only demonstrates TCL's commitment to site sustainability, by utilising waste fly ash and other solid by-products produced at the site, but also produces several grades of high quality cement with strong customer acceptance in its target markets.

The cement business registered an improved performance this year over the previous year benefitting both from an improved market scenario and success of initiatives launched last year related to rigorous quality focus and customer connect programs in the Company's target sales regions of Gujarat.

Business Performance

India Chemical Operations ('ICO') delivered another year of strong performance in a mixed business environment marked by good demand growth on one hand along with significant increase in input energy costs and competitive pressures on the other. The Company executed its operational excellence initiatives with rigour leading to significant cost optimisation across all functions.

The Company targets a "Zero Harm" policy related to the safety of its people and plant assets. After demonstrating a good safety track-record in the first half of FY 2017-18, Mithapur site witnessed 2 fatalities in the second half of FY 2017-18 related to on-site road safety. This has led to even greater focus on behavioural safety and related training programs along with review of Process Safety Risk Management implementation to ensure targeted safety performance.

On the sustainability front, the Company aims to go beyond compliance requirements to setting the industry agenda in initiatives related to the environment and local community engagement. Zero ground water withdrawal, 100% fly ash utilisation, filtration and usage of soda ash solids to minimise solid waste and focused bio-diversity preservation programs indicate TCL's commitment to the environment. As part of the Company's local community engagement, TCL continues to offer a multitude of skill development and self-employment generation programs.

During the year, Tata Chemicals India continued to focus on throughput optimisation of all key products within the prevailing operational constraints and achieved cost control across all functions. This, coupled with marginally better price realisation for most of the key products in TCL portfolio in line with market conditions, led to improved financial performance despite significant rise in the energy costs. The year witnessed the highest ever production and sale of bicarbonate including the launch of "Medikarb", TCL's pharmaceutical grade bicarbonate, along with an overall increase in share of branded bicarbonate. Other performance highlights included record sales of bromine with ~97% volumes shipped in ISO tankers and ~60% increase in bulk movement of soda ash. Finally, in line with the goal of increased customer proximity and ease of doing business; the Company has launched online "ChemConnect", a platform welcomed and widely adopted by its channel customers to enable seamless management of the sales ordering and related processes.

Tata Chemicals North America ('TCNA') sales volumes increased during the year in both North America and export markets as the reliability of production returned along with a strong demand for soda ash in the export markets. Export sales improved due to a sharp reduction in exports from China in 2017. The impact on net revenue of the higher sales volume were partially offset by adverse sales mix and pricing.

For Tata Chemicals Europe ('TCE'), plant operation at Lostock was affected by fire in May 2017, but operated throughout with good efficiencies thereafter. The associated energy business had an outstanding year despite loss of a Gas Turbine spare in January 2018, generating strong income and contributing to very positive outcome in Soda Ash/Energy Business Unit. The modified sodium bicarbonate at Winnington has performed reliably, enabling strong and reliable customer service delivery and growth during the year. British Salt Limited's salt business delivered good volume and production with good efficiencies and continued its strong market share throughout the year.

For Tata Chemicals Magadi Limited ('TCML'), soda ash dominated the product portfolio with the main destination being in the container glass and silicate sectors. Salt, Crushed Refined Soda ('CRS') and by-products formed the rest of TCML's product portfolio. The Magadi operation has stabilised the Soda Ash Magadi ('SAM') plant performance, which continues to be the lifeline for TCML turnaround. Going forward, TCML will focus on SAM production by ensuring consistent quality and efficient operations resulting in higher volumes.

Outlook for Business

Despite short-term challenges related to high energy costs, significant domestic and global capacity addition, the Company is optimistic about the long-term prospects of this business. The Company remains committed to strengthen and leverage its leadership position. The Company actively manages its energy cost exposure through Risk Management processes.

The Indian soda ash demand is expected to continue to grow at its long-term growth rate of ~5% p.a. over the next few years. Most of this demand growth is expected to be serviced by planned increase in domestic capacity, including ~0.5 million tonnes p.a. of new capacity coming online in FY 2018-19.

The outlook for TCNA remains positive with soda ash manufacturing continuing to remain sold out. Aggressive pricing from competitors, increased global capacity and strengthened US dollar can impact domestic pricing. TCNA's continued efforts and emphasis will be to stabilise the cost base through a three pillar approach that encompasses Zero Harm, Operational Excellence and Sustainable Growth. The Company continues to focus on sustaining and improving its safety performance. The safety performance at TCNA has improved significantly in the calendar year 2017 with significant reduction in reportable incidents compared to the previous 2 years.

UK operations plan to build on the strong base of FY 2016-17 and FY 2017-18, recognising that it is up against increasingly strong headwinds of higher inflation, increased raw material commodity pricing and greater competition on soda ash and, to some extent, salt product ranges. The drive to increase sales at the sodium bicarbonate plants at Winnington and Lostock will continue. TCEL will move into a major project development and construction phase in FY 2018-19 including the areas of packing/logistics and energy plant efficiency.

For TCML, soda ash demand is expected to remain favourable in FY 2018-19. Competitiveness will be defined by price and quality which means strategic market mixes will determine gains for TCML. TCML's focus will be on markets with best returns.

New Product Development and value added products for the animal industry shall remain the main focus for the TCML's salt business. During the fourth quarter of FY 2017-18, investments on advertisements in local vernacular radio stations targeting the high consumption areas was done with an objective to accelerate volumes for Fortified salt in the FY 2018-19.

CRS growth shall be driven by the Silicate sector in Kenya, Mining in South Africa and trading in the Middle East. Product development continues in this sector since CRS has demonstrated potential for growth in diverse areas which include lead processing, tobacco, silicate, disinfection, animal feed, compost treatment, jigger treatment, flu gas treatment amongst many others.

Risks and Opportunities

The Company is working to address key opportunities and risks in the business environment in alignment with its growth strategy.

In order to strengthen TCL's leadership position in the growing domestic market, ICO is pursuing capacity expansion options for all the key product lines at Mithapur subject to receipt of required statutory clearances. This volume driven growth plan is being supplemented by plans to address value-driven growth opportunities in select product lines like bicarb where the Company is focusing on scaling up of Medikarb volumes along with launching new high value grades. The business is also leveraging digital platforms for enhanced ease of doing business; building customer partnerships around themes of innovation and sustainability which continue to offer opportunities for stronger customer connect. Finally, several projects around plant and supply chain upgrade and automation are also expected to be executed in the coming year.

ICO is also taking requisite measures to address the key risks to the business. Pressure on soda ash prices due to unfavourable demand-supply balance, higher energy costs and volatility in exchange rates are the most significant risks to the business performance. The Company continues to remain focused towards keeping fixed costs low and controlling variable costs through securitisation of the key raw materials including fuel and limestone along with continuous improvement programs to help mitigate the adverse impact of these risks. Adherence to more stringent environmental norms and improving the safety performance in a sustainable manner are other key areas which the India Chemicals business plans to continue to focus on during FY 2018-19.

At TCNA, the focus is on the continuation of production stabilisation started in FY 2016-17, cost reduction and business optimisation. Business optimisation measures include Zero Based Budgeting project; targeting a reduction in non-manpower fixed costs, pursue an alternative coal source to significantly reduce costs and risk, and investigation of future port and rail fleet strategy. TCNA has received a significant benefit from the US tax reforms with the continuation of the mining percentage depletion allowance, removal of Alternative Minimum Tax ('AMT') and a reduction of the corporate tax rate.

Rigorous project management and continued engagement with all stakeholders are critical to managing risks in TCNA. TCNA faces the impact of new tonnes from expansion and greenfield production of low cost Turkish natural soda ash entering the market through FY 2018-19 as well as an increase in domestic competition due to aggressive pricing from competitors for market share as export tonnes are realigned. Tightening regulatory and environmental legislation means that the Direct Sorbent Injection ('DSI') Project (Environmental Compliance) will be operational in 2018 while the Company continues to focus on the management of waste.

In the UK, there is a strong investment pipeline of projects in both salt and sodium bicarbonate/soda ash/energy driving towards increasing cost competitiveness and customer service. These projects will start to be implemented in FY 2018-19 with others completing major pre-construction milestones ahead of FY 2019-20. Growth in sales opportunities in Asia in sodium bicarbonate/salt will continue to bear fruit as a result of dedicated projects.

Potential risks for the UK operations would include a margin reduction if sales prices do not offset increases in commodity raw materials and an inability to pass on carbon emission tax rises. The Brunner Mond pension scheme will undertake the regular triennial valuation exercise during 2018.

At TCML, the focus is largely centred on the growth of value added products and successful penetration into new and emerging markets. Developing alternative sources of energy, utilisation of Lean Six Sigma and Lean Manufacturing tools and techniques, continuous process improvement and, enhanced global sourcing will help reduce costs and improve efficiency. Attracting and retaining the right talent, developing alternative employee welfare mechanisms are some of the other opportunities identified by TCML for the coming year.

At TCML, some of the key risks include raw material (Trona) quality, affected by increased siltation in the northern part of the Lake Magadi, a deteriorating road infrastructure, political and environmental regulations, water scarcity and other environmental pressures. In response, the Company continues to increase engagement with local and national stakeholders and supports concerted efforts, including technical collaboration with third parties, to mitigate these risks.

Salt and Related Products

Industry Structure and Developments

India is the third largest salt producer after China and USA. The total annual production of common salt in India, on an average, is about 28 million tonnes^. Production of iodised salt is around 66 lakh tonnes. Branded, packaged edible salt is about two thirds of the edible salt consumed and growing at 9% in FY 2017-18 (Nielsen). During the year, monsoons were well distributed and edible salt supply and demand remained steady throughout the year.

The branded salt share of the market continues to increase due to awareness of better product quality, visible purity and iodine content. Specialty salts like rock salt and black salt have an increased presence in modern format stores.

^Source: Salt Annual report 2016-17 - Salt Commissionerate, Government of India (trailing 3 year average)

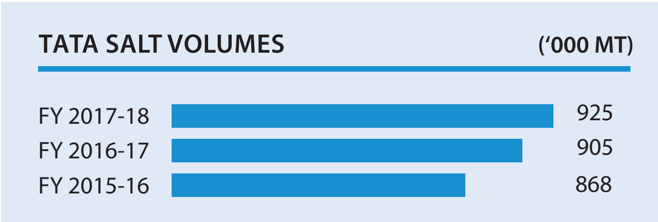
Performance of Salt and Related Products

Tata Salt continues to be the leader in the national branded salt segment. Tata Salt Lite continues to be the leading brand in the low sodium salt segment and Tata Salt Crystal leads in the Crystal salt segment. Salt sales volumes have grown by 3.5% p.a. since FY 2014-15 primarily driven by the flagship brand Tata Salt which has grown by 5.2% p.a.

Tata Salt reaches 1.8 million retail outlets across India. This has been achieved through driving supply chain efficiencies and enhanced use of IT and analytics, along with a thrust on distribution and branding. Constant brand building efforts through enhancing visibility at retail, consumer activations and support through both traditional and digital media, have helped strengthen the Tata Salt brand amongst consumers. The Company moved towards building a stronger narrative on health, with the "Sawaal kijiiye apne namak se" campaign, bringing forth the evaluation criteria for better-quality salt and establishing the superiority of Tata Salt through easy-to-understand demonstrations. The Company also reached out to consumers through various tactical campaigns like "Mithapur express" and "Sehat ka Charger".

As the brand continues to grow, a number of products designed to cater to specific needs of the consumer have been added to the portfolio in recent years, like Tata Salt Lite, Tata Salt Plus and Sprinklers. In FY 2017-18, the Company launched the powdered format for Rock Salt in addition to the Rock Salt crushers already in the market. In keeping with its sustainability priorities, the Company piloted the recyclable packaging for Tata Salt in Delhi during the year.

The details of business outlook, threats, opportunities, risks and concerns of salt and related products are covered with other consumer product portfolio under the head 'Others'.



OTHER AGRI INPUTS

Rallis

As the impact of strong El-Niño receded further, India received normal rainfall for the second consecutive year in 2017, though the temporal and spatial distribution of the rainfall remained uneven, affecting cropping. Due to deficient rain experienced in August and September in many parts of the country, around 215 districts (one-third on all-India level) experienced a rain distress situation. Most of these were in the top farming States such as Uttar Pradesh, Madhya Pradesh, Punjab and Haryana.

As per the second advanced estimate, India is likely to see a record output of food grains in the crop year 2017-18, for the second consecutive year. The final estimate for the crop year 2016-17, showed that India's food grain production jumped 9.4% to 275.1 million tonnes in the crop year 2016-17 from 251.6 million tonnes in 2015-16. Despite the high base effect, India is likely to witness food grains production advancing to 277.5 million tonnes in the crop year 2017-18, an increase of 0.9% on Y-o-Y basis.

Due to back to back bumper crop years, as noted by the Economic Survey 2017-18, farm revenues declined for many crops due to prices falling below MSPs ('Minimum Support Prices').

The size of the Indian crop protection industry is approximately ₹ 16,800 crore p.a. Per hectare consumption of agrochemicals is under 1 Kg, one of the lowest among major economies of the world. India's crop protection industry can be classified primarily into four segments; insecticides, fungicides, herbicides and bio-pesticides. While insecticides constitute a higher proportion, fungicides and herbicides are the fastest growing segments of the Indian crop care industry.

In FY 2017-18, India's crop protection industry faced a difficult situation. Raw material prices skyrocketed due to rising crude oil prices. Further, supply constraints emanating from the shut-down in China on pollution concerns of industries supplying raw materials to the agrochem manufacturers affected India's agrochem industry. Lower realisations in many crops in FY 2016-17 due to an over-supply situation and softening of prices affected farm incomes; this, in turn, influenced farmers' spending ability in FY 2017-18. Going forward, the Government's commitment to doubling farmers' income by the year 2022, growing penetration of efficient irrigation facilities and the increasing popularity of crop insurance schemes may help reduce farm distress and support the agrochem industry to grow.

In FY 2017-18, Rallis reported higher growth in volume and gained market share in key segments, with increases in Paddy and Cotton in the domestic business. During the year, Rallis introduced five new products in the domestic market, catering mainly to paddy, cotton and fruits and vegetables crop areas. The Company expanded its distributor network substantially and also reviewed its credit policy for distributors, without compromising on the established set of risk management principles.

Significant shifts in the farm practices and a focus on higher yields has been leading the global seeds industry on the path of rapid growth. According to an IMARC report, the global seed industry is likely to reach a value of over US$ 86 billion by 2023, from its current value of US$ 62.1 billion. India is the fifth largest seed market. At present, India's organised seed market is worth US$ 3.6 billion which is expected to grow to US$ 8 billion by 2023. Cotton, paddy, maize and vegetables drive the demand for commercially enhanced seeds in India.

Satisfactory monsoon ensured stable demand but Government interventions experienced in some Indian states, towards the end of the fiscal, posed some challenges for the seed industry.

India's organised Bio Stimulants market is worth ₹ 2,000 crore and is expected to grow 11-13% a year, whereas the Micronutrients market is worth ₹ 1,800 crores and is expected to grow 8-9% a year. Rallis operates in some of the segments of the Bio Stimulants and Micronutrients business categories of the plant growth nutrients. Cotton, paddy, chillies, pulses, fruits and vegetables drive the demand for plant growth nutrients in India.

Demonetisation and roll out of GST had a transient adverse impact on the business in the initial months of FY 2017-18.

Given the need to provide food security and enhanced production along with creating value for farmers, Rallis has embarked on end-to-end agri solutions - Rallis Samrudh Krishi® ('RSK') to drive farm productivity. RSK brings to the farmers the latest technology and practices with a roadmap to increase farm productivity while nurturing safety and protecting the environment. Through RSK, Rallis aims to create value for farmers as well as for the Company - for the farmer, through higher yield, better quality and lower costs, whereas for the Company, through higher revenues and increase in share of farmers' wallet.

Rallis provides farmers with information and predictive analysis of crop health, crop yields, soil moisture conditions, attack of diseases and weather forecast through its digital initiative, Drishti. Drishti is an ambitious and futuristic project that aims to increase the preparedness of farmers in tackling adverse farming conditions by providing them hyper-customised information. Initiative Drishti is still at a nascent stage of development, but holds a promise in helping farmers improve farm productivity in a big way. Samadhan is a mobile app offered to farmers, which provides live weather and mandi prices, customised and dynamic Package of Practices (PoPs), direct access to Rallis' helpline for problem resolution and allows farmers' groups to share experiences. To enable larger use of the digital platforms, the services are available in 12 regional languages. There are 14 dedicated points to handle customer queries. Rallis also uses Sampark, a mobile app for the frontline field force.

In 2017, global crop protection industry was valued at US$ 61 billion, with the industry growing by just 1.7% globally on a Y-o-Y basis. Owing to extreme climatic changes, soft agri-commodity prices and rising raw material prices posed a significant challenge to the growth of crop protection industry worldwide. While weather conditions in the NAFTA region improved, those in Africa and Australia deteriorated. Soft commodity prices prevailed throughout the review period and wide currency fluctuations with a downward bias did not help either.

Despite these adversities, Rallis managed to grow its international revenues by 9%. It launched five products in the exports markets in Malaysia, Thailand, Myanmar and Nigeria. Good progress has been recorded in Alliance business through several registrations gained during the financial year.

OTHERS

Industry Structure and Developments

Pulses and Related Products

Tata Sampann is the only national brand in a pulses market dominated by loose dal which comprise more than 99% of the market. Pulses production in India saw a spike of about 20% over the last three year average. This resulted in low prices throughout the year. The Government has continued to purchase surplus production, restrict imports and open up exports of certain varieties of pulses.

The besan market is estimated to be ₹ 23,000 crore, again dominated by unbranded besan. The Company has continued to focus on protein delivery through pilot launches in various pulses based platforms like multigrain chilla mix, moong dal chilla mix and organic pulses.

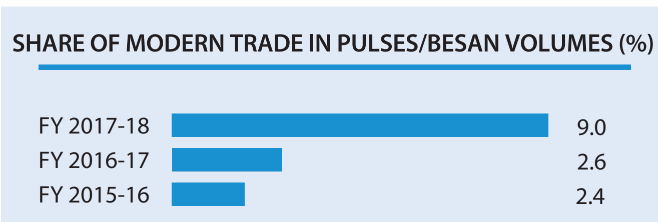
Spices

The spices industry is highly fragmented and regional in nature with the consumer taste palate changing across regions. Tata Sampann range of spices aims to set benchmarks through its superior product quality and differentiation by not using 'Spent' ingredients. Additionally, the Company is creating and offering products catering to regional tastes. The Company's value proposition for spices includes unique packaging in multiple sachets for maintaining the freshness and guaranteeing a high percentage of active ingredients like Curcumin and Capsaicin for the Pure spice offerings.

Product-wise Business Performance

Pulses and Related Products

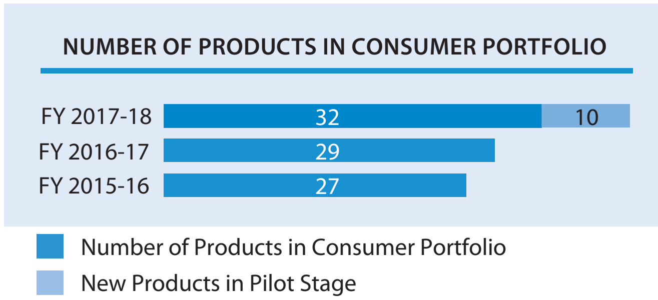
In FY 2017-18, Tata Sampann focused on increasing its presence in the top modern format stores with its range of pulses and besan while strengthening the sourcing, packing and supply chain model for improved efficiencies. Regional packing centres were established leading to improved freshness in market and better ability to respond to fluctuations in the market prices.



In the value added segment, the Company pilot launched Tata Sampann Khichdi Mix, Moong Dal Chilla Mix, Multigrain Chilla Mix and Pakoda Mix exclusively with Star Bazaar and Amazon in select cities. The Company also piloted a Tata Sampann range of organic pulses exclusively with Star Bazaar and Amazon. The products have received encouraging response from customers and retail partners.

Spices

The Company added three new variants – Chat Masala, Pav Bhaji Masala and Sambhar Masala to the portfolio for Tata Sampann Spices during the year, with the product launches receiving encouraging response from trade as well as consumers. The business has created a benchmark by providing products with assured international quality markers like Curcumin and Capsaicin. Sourced from regions where climate and terrain benefit its natural flavour, Tata Sampann spices retain their naturally available volatile oils, giving fuller aroma and taste. The blended masalas are developed with pure, fresh and authentic ingredients, have recipes made by Chef Sanjeev Kapoor and come in a unique 5-in-1 pack. The Company continued with the campaigns like "Aaj ka masaledar sach" and "Sampann Surprise" to create awareness and establish the superiority of the product. The Company also aligned its go-to-market model for spices to ensure better reach and availability of the product across key cities.



Outlook for Business

The outlook for the business continues to be positive as the Company continues to focus on distribution expansion, brand building initiatives and strengthening of supply chain. The Company has identified opportunities around salt and related products, new to market offerings in foods, new packaging formats and tapping unmet consumer health needs. While the salt business continues to be the mainstay in terms of revenue generation, the growing foods portfolio is expected to contribute significantly to the overall business by the end of FY 2019-20. In terms of reach, the business intends to expand its retail footprint to 25 lakh outlets by FY 2019-20. This is being done through greater use of small SKUs, along with new go-to-market models. In addition to the growing retail network, the business is also focused on Modern Trade and non-traditional channels such as e-commerce, to ensure availability at a multitude of consumer touch points. Going forward, the Tata Sampann brand is looking at building a robust value added product portfolio pipeline to deliver higher contribution products.

Opportunities and Threats

The business has vast opportunities in the foods market, scope to scale up new variants of salt and is preparing to address opportunities offered by new consumer needs on the back of its robust supply chain and distribution network. Premium product offerings and new go-to-market models are being explored to develop strengths in modern format stores and alternate distribution channels.

The Tata Salt franchise is being leveraged in select international markets.

Differentiated product offerings and targeted communication is being used to address the threat from the unbranded segment and from regional and local brands.

Risks and Concerns

The business has put policies in place to mitigate risks from changes in the regulatory environment which might limit realisations. There are continuous improvement efforts to exploit efficiencies in the supply chain network to mitigate rising costs of labour and fuel.

Nutritional Solutions

The growth of Nutritional Solutions, which began with an idea in our lab by a team of passionate scientists which, after intensive work and effort over the last four years is now transformed into a plant in Sriperumbudur, Chennai and investments in Mambattu, Nellore for manufacturing of Prebiotics [Short chain Fructo-oligosaccharide ('FOS') and Galacto-oligosaccharide ('GOS')]. The business, driven by science understanding and customer engagements, to become a leading nutritional innovation across various dimensions of human health. The Nutritional Solutions business is motivated to provide a significant improvement in the quality of life of our customers through innovative solutions.

Leveraging TCL's knowledge in at-scale fermentation, food technology, material sciences, biotechnology and biogenomics, the Company's offerings cater to multiple end segments in the field of gut microbiota modulation and customised health solutions.

FY 2017-18 was yet another milestone year in terms of investments in infrastructure and capabilities. With a committed capital outlay of ₹ 270 crore, the construction of our world-class 5,000 tonnes per annum manufacturing plant at Mambattu, Nellore, Andhra Pradesh is on schedule. The business has built capabilities in IPR clinical studies, product conceptualisation through customer partnership, complex fermentation technologies and gut microbiome data models.

Operations at Sriperumbudur remained stable and the plant supported the increased customer demand by producing higher quantities across multiple grades of FOS. Project execution at Nellore is underway with ground-breaking ceremony performed in November 2017. While sales of FOS and GOS continue to remain buoyant, our newly introduced product offerings also found wide acceptance across various customer segments in food and beverages, infant nutrition, nutraceuticals, pharmaceuticals and animal nutrition. A gross total of 1,700 tonnes of products were sold in India to 600+ customers across 105 cities. To support the upcoming expansion, the business is in the process of setting up of an international distribution network for select markets.

FERTILISER BUSINESS (DISCONTINUED OPERATIONS)

The Company divested its Urea and Customised Fertiliser business situated at Babrala, Uttar Pradesh to Yara India effective 12 January, 2018. During the year under review, the Company also entered into a Business Transfer Agreement with IRC Agrochemicals Private Limited for the sale of its Phosphatic Fertilisers business and the Trading business situated at Haldia, West Bengal subject to certain regulatory and other approvals. In view of the same, the MDA does not include an analysis of the Fertiliser business.

ANALYSIS OF FINANCIAL PERFORMANCE

Standalone performance for the year ended 31 March, 2018

Statement of Profit and Loss – Continuing operations

1. Revenue from operations (net):

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Revenue from operations	3,524	3,837	(313)	(8)
Less: Excise duty on sale of goods	(58)	(230)	172	(75)
Revenue from operations (net)	**3,466**	**3,607**	**(141)**	**(4)**

Revenue from operations (net) decreased due to lower volumes of soda ash, salt, pulses and spices as well as lower realisation of pulses.

2. Other income:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Other income	194	177	17	10

Other income has increased mainly due to Gain on sale/redemption of investments.

3. Cost of materials consumed:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Cost of materials consumed	531	480	51	11

Cost of materials is higher due to increase input costs of raw materials comprising of coke, coal and anthracite.

4. Purchases of stock-in-trade:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Purchases of stock-in-trade	219	449	(230)	(51)

Purchases of stock-in-trade decreased mainly due to pulse business towards reconfiguration of supply chain management.

5. Power and fuel:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Power and fuel	474	378	96	25

The increase in power and fuel cost is mainly due to coal and pet coke price increase.

6. Freight and forwarding charges:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Freight and forwarding charges	397	404	(7)	(2)

Freight and forwarding charges have decreased due to lower sales volumes of pulses and salt as well as lower cost of dispatch for free flowing salt.

7. Finance costs:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Finance costs	87	101	(14)	(14)

Finance costs decreased due to repayment of loan and reduced working capital borrowings.

Balance Sheet Analysis

Standalone Statement of Balance Sheet

1. Investments:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017	Change	% Change
Investments in equity instruments in subsidiaries	2,878	2,878	-	-
Investment in joint venture	166	166	-	-
Investment in preference shares in subsidiaries	978	973	5	1
Investment in other companies	2,367	2,231	136	6
Total Investment	**6,389**	**6,248**	**141**	**2**

Increase in the value of investments in other companies is mainly due to changes in fair value of such investments and sale of Tata Global Beverages Limited shares.

2. Inventories:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017	Change	% Change
Continuing operations	451	612	(161)	(26)
Discontinued operations	150	127	23	18
Total Inventories	**601**	**739**	**(138)**	**(19)**

Inventories decrease mainly due to reduction in stock of traded goods.

3. Trade receivables:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017	Change	% Change
Continuing operations	140	1,032	(892)	(86)
Discontinued operations	808	834	(26)	(3)
Total Trade receivables	**948**	**1,866**	**(918)**	**(49)**

Trade receivables decrease mainly due to the sale and transfer of its Urea and Customised Fertilisers Business to Yara India and collections from debtors.

4. Loans, other financial assets, advance tax assets and other assets:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017	Change	% Change
Loans	2	2	-	-
Other financial assets	77	49	28	57
Advance tax assets (net)	421	431	(10)	(2)
Other assets	247	199	48	24
Discontinued operations	52	42	10	24
Total	**799**	**723**	**76**	**11**

Increase in other financial assets is due to Gratuity fund receivable from Trusts on account of sale of Urea business.

Increase in Other assets is mainly due to statutory receivables (GST pending settlement).

5. Cash flow:

Net cash flow from operating activities: The net cash from operating activities is ₹ 836 crore during FY 2017-18 as compared to ₹ 2,393 crore during FY 2016-17. The cash operating profit before working capital changes and direct taxes during FY 2017-18 is ₹ 1,510 crore as compared to ₹ 1,437 crore during FY 2016-17. The change in working capital, during the financial year, is mainly due to decrease in trade receivables and inventories.

Net Cash flow from investing activities: The net cash inflow from investing activities amounted to ₹ 2,866 crore in FY 2017-18 as against outflow of ₹ 152 crore in FY 2016-17. The inflow in FY 2017-18 is mainly on account of sale and transfer of its Urea and Customised Fertilisers Business to Yara India.

Net Cash flow from financing activities: The net cash outflow from financing activities is ₹ 1,496 crore during FY 2017-18 as compared to outflow of ₹ 1,731 crore during FY 2016-17. The outflow in FY 2017-18 is mainly due to repayment of borrowings.

6. Net borrowings/(Cash):

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017	Change	% Change
Non-current Borrowings	681	1,088	(407)	(37)
Current Borrowings	1	523	(522)	(100)
Current maturities of non-current borrowings and finance lease obligations	415	430	(15)	(3)
Discontinued operations	310	371	(61)	(16)
Total Borrowings	**1,407**	**2,412**	**(1,005)**	**(42)**
Less: Cash and Cash equivalent (including other Bank balances)	3,769	1,112	2,657	239
Discontinued operations	1	-	1	100
Net Borrowings/(Cash)	**(2,363)**	**1,300**	**(3,663)**	**(282)**

The Net borrowings decreased mainly due to repayment of borrowings and cash receipt on account of sale and transfer of its Urea and Customised Fertilisers Business to Yara India.

Consolidated performance for the year ended 31 March, 2018

Consolidated Statement of Profit and Loss - Continuing operations

1. Revenue from operations (net):

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Tata Chemicals Limited - ('TCL')	3,524	3,837	(313)	(8)
Homefield Pvt UK Limited - Group ('HFUK')	2,124	2,205	(81)	(4)
Tata Chemicals North America Inc ('TCNA')	3,257	3,242	15	-
Rallis India Limited ('Rallis')	1,809	1,768	41	2
Others and Eliminations	(369)	(371)	2	1
Total	**10,345**	**10,681**	**(336)**	**(3)**
Less: Excise duty	(76)	(335)	259	(77)
Revenue from operations (net)	**10,269**	**10,346**	**(77)**	**(1)**

Revenue from operations (net) has decreased primarily due to :

a. Inorganic Chemicals: Lower volumes of soda ash from India as well as HFUK and depreciating USD and GBP exchange rates against INR.

b. Rallis: Higher volumes of agri products.

2. Cost of materials consumed:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
TCL	531	480	51	11
HFUK	112	154	(42)	(27)
Rallis	830	739	91	12
Others and Eliminations	(82)	(31)	(51)	165
Total	**1,391**	**1,342**	**49**	**4**

Cost of materials consumed increased primarily at Rallis for agri business due to higher volumes.

3. Purchases of stock-in-trade:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
TCL	219	449	(230)	(51)
HFUK	332	391	(59)	(15)
TCNA	18	22	(4)	(18)
Rallis	202	110	92	84
Others and Eliminations	(302)	(353)	51	(14)
Total	**469**	**619**	**(150)**	**(24)**

Purchases of stock-in-trade decreased primarily in India on account of pulse business towards reconfiguration of supply chain and HFUK due to depreciating GBP exchange rates against INR.

4. Power and fuel:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
TCL	474	378	96	25
HFUK	455	457	(2)	-
TCNA	290	287	3	1
Rallis	54	41	13	32
Total	**1,273**	**1,163**	**110**	**9**

Power and fuel increased primarily in India, HFUK and TCNA on account higher input fuel cost, offset by depreciating GBP and USD exchange rates against INR.

5. Freight and forwarding charges:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
TCL	397	404	(7)	(2)
HFUK	236	219	17	8
TCNA	873	853	20	2
Rallis	73	54	19	35
Total	**1,579**	**1,530**	**49**	**3**

Freight and forwarding charges increased at HFUK and TCNA primarily due to higher volume and price mix, offset by depreciating GBP and USD exchange rates against INR.

6. Finance costs:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
TCL	87	101	(14)	(14)
HFUK	121	69	52	75
TCNA	100	103	(3)	(3)
Rallis	4	10	(6)	(60)
Others and Eliminations	14	14	-	-
Total	**326**	**297**	**29**	**10**

Increase in HFUK due to lower MTM gain as compared to previous year and amortisation of upfront fees on account of refinancing of loan. TCL, TCNA and Rallis lower due to repayment of loan and reduced working capital borrowings.

7. Other expenses:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
TCL	665	772	(107)	(14)
HFUK	418	454	(36)	(8)
TCNA	796	822	(26)	(3)
Rallis	203	307	(104)	(34)
Others and Eliminations	16	(19)	35	(184)
Total	**2,098**	**2,336**	**(238)**	**(10)**

Other expenses represent the following:

₹ in crore

Entity	Year ended 31 March, 2018	Year ended 31 March, 2017	Change	% Change
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(104)	113	(217)	(192)
Stores and spares consumed	271	250	21	8
Packing materials consumed	334	332	2	1
Repairs	356	395	(39)	(10)
Rent	154	163	(9)	(6)
Royalty, rates and taxes	347	322	25	8
Sales promotion expenses	160	194	(34)	(18)
Others(*)	580	567	13	2
Total	**2,098**	**2,336**	**(238)**	**(10)**

(*) – Others include insurance charges, Distributor's service charges, professional fees, foreign exchange loss, travelling expense, provision for doubtful debts and advances, directors' fees/commission and other expenses.

The other expenses have decreased primarily due to:

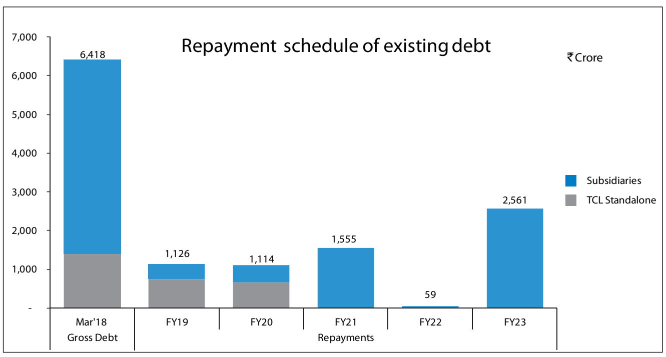
a. Movement in changes in inventories of finished goods, work-in-progress and stock-in-trade is primarily on account of increase in stock levels of agri business.

b. Repair expenses lower at HFUK and TCNA.

c. Sales promotion expenses lower at TCL India.

d. Others mainly due to lower travelling expenditure, professional fee, foreign exchange loss and depreciating USD and GBP exchange rates against INR.

Total Debt and Amortisation schedule



Note:

1. Gross debt of ₹ 6,418 crore includes ₹ 450 crore of working capital loans and ₹ 83 crore of revolver facility.

2. The repayment schedule for term loans has been prepared considering the existing repayment terms. Some of these loans/facilities may be refinanced, in full or in part, from time to time in future depending on the requirement and the business plans.

INNOVATION AND TECHNOLOGY

Innovation Centre ('IC')

The Company established IC to undertake research in applied sciences with a view to seeding new businesses and supporting existing businesses with innovation. Presently, IC has total 81 active patents out of which 19 have been granted. In FY 2017-18, IC filed 11 new patent applications in various work areas.

The IC continues to work with TCL business units in the nutritional solutions, chemicals and consumer products; other Tata companies, as well as carries out its own research and development activities.

During the year, IC has developed significant additional capability in Food Science and Technology. The R&D efforts in this area have led to the development of innovative consumer products: pulse based mixes (chilla mixes) and multi-grain khichdi which deliver convenience and nutrition. The innovation centre also supported the TCL business in developing the technology for manufacture of pharmaceutical grade sodium bicarbonate.

Digitalisation & Information Technology (D&IT)

The Company's IT infrastructure is continuously reviewed and renewed in line with business requirements and technology improvements. The Company has implemented common Enterprise Resource Planning ('ERP') system across all its wholly owned operating subsidiaries. During the year, the Company's systems and infrastructure were augmented and modified to seamlessly support new requirements such as GST and portfolio realignments.

Various digitisation initiatives are taken by the Company to focus on improving efficiency, enhancing stickiness with customers and having better analytics to make informed decisions. A Customer Relationship Management ('CRM') and Distributor Management System ('DMS') were implemented for chemicals business to enhance customer experience and similar systems are now being implemented in the consumer business. The Company has also implemented procurement and spend management systems which have allowed successful collaboration with supply chain participants, for businesses in India. The same solutions are now being extended to other geographies globally.

New age systems to enable the next level of digitalisation are being implemented in operations. As a part of this drive, the Company is adding digital tools at Mithapur plant and leveraging analytics for finer control. Remote sensing and Artificial Intelligence ('AI') applications are being explored across operations to improve predictability and efficiency. In new facilities being set up, state-of-the-art control systems are being installed to meet global customer standards from start of production.

Enhancements of the business intelligence platform with visual analytics tools to support business decision making is also underway. Digital is playing an increasing role in the Company, with more mobile applications delivering better experiences across the value chain and through larger usage of market and operational data to provide better analytics.

HUMAN CAPITAL

From a Human Capital perspective, FY 2017-18 was a very eventful year which saw TCL initiating the exit from the regulated agri-business and at the same time investing in the emerging businesses of the future.

Some key highlights of the year were - divestment of Fertiliser Business, commencement of work on a green field project in Nutritional Solutions, entering into Business Transfer Agreement for acquisition of a Silica Unit, launch of new products in Consumer Business, relocation of offices in India and North America, plans for capacity augmentation in Mithapur as well as acquiring deeper and wider skills in the Innovation Centre to support the growth plans. The HR function has played a key role in all these initiatives working closely with the leadership teams.

Continuing on the transformation agenda, the HR function remains focused on reinforcing the key thrust areas viz. restructuring business and people related costs to remain competitive, attracting required skills, nurturing engagement levels, building the leadership pipeline and enhancing the skills and capabilities needed for the future.

Restructuring and Capacity Building

As the Company implemented the business restructuring and shift in strategic focus, this also provided opportunities for redefining/ crafting new roles. The Company's internal job posting program – SHINE+ which completed 5 years during this period helped to provide career opportunities to many internal candidates, dealing with redundancies arising out of the divestment and control overall employee costs.

The requirement for niche skills and domain experts have been fulfilled through selective lateral hiring – especially in the areas of Food Science & Technology, Nutrition & Wellness, Digitisation, Materials Sciences to help deliver TCL's plans. This year, the Company went back to campus to bring on board a batch of fresh engineering graduates in various disciplines to meet its talent needs in the coming years.

Skills and Capability Building

Developing and strengthening capabilities for all employees has remained an ongoing priority for the Company in the year gone by. The Company invests on internal talent and nurture them through the culture of continuous learning and development, thereby building capabilities for creating future leaders. This year, the Company started a new initiative 'Leadership Connect' providing a platform for informal yet focused interactions between the Board of Directors and identified key talent. This was seen as an enriching and insightful experience for the participants. TCL also continued to deploy its regular capability building programmes like 'SpringBoard', Management Development Programme ('MDP'), Operator development programmes, Sales Training, etc. to address needs of specific groups. At the manufacturing locations, the Company is also planning in advance to handle retirement related skill gaps at the front line operator level by inducting fresh talent and providing them with a detailed multi-skilled training to ensure that they are fully trained before being deployed on the job. The Company also has a policy to offer education assistance and sabbatical leave to encourage employees take up courses for furthering their knowledge and skills as a stepping stone to further career growth. The Company believes that its collective efforts in Learning & Development will help to have the right capabilities and acquire the competitive edge in a tough business environment.

Employee Engagement

The Company believes that in today's times, nurturing and strengthening employee engagement is a crucial imperative. The HR function, therefore, has worked on multiple drivers of engagement right from helping managers understand their own people management style so that they can play critical role in improving work group engagement. The HR function has also enhanced employee on-boarding process, reviewed package of benefits apart from many localised initiatives to enable employees to feel valued and connected with the organisation.

The senior leadership team visited many of the Company's locations periodically to interact with employees across levels and to share information on the Company's plans and focus areas as well as to also understand their views or address their concerns. Monthly business updates are also sent out through the LEAP Post as well as quarterly employee communication is addressed by the senior leadership.

The Company has had an excellent track record of harmonious industrial relations built on the foundations of mutual trust and co-operation which has helped sustain productivity levels.

The Company's workforce is a partner in its progress and share the common vision for growth, contributing their best. The Company is ready for the future.

The overall voluntary attrition rate for FY 2017-18 was 9.5%.

Manpower strength as on 31 March, 2018, excluding Rallis and Metahelix, was 3,528 spread across 2,327 in TCL India, 551 in North America, 385 in Europe, 251 in Magadi, 11 in South Africa and 3 in Singapore.

SAFETY AND HEALTH

Driven by "Target Zero Harm" - Zero Harm to People, Zero Harm to Asset and Zero Harm to Environment, 'Safety' is one of the core values at Tata Chemicals. There is an unwavering commitment to the continuous improvement of the organisation's safety performance. Benchmarking with the companies that are best in the business, the Company is committed to continuously employing world-class Safety, Health and Environment ('SHE') practices.

For an exclusive focus on safety and sustainability, the Company has a Board level CSR, Safety and Sustainability ('CSS') Committee. This Committee of the Board provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans. They also monitor and review reports monthly and quarterly on SHE performance including policy and legal compliances. The Chief Safety, Engineering & Project Officer has direct access to the Chairman of the CSS Committee. The Board-level Risk Management Committee also monitors the progress on mitigation plans associated with key safety risks.

The senior leadership at TCL also plays a definite and defining role in affirming positive attitudes towards safety and creating an enabling environment. The Company's Corporate SHE policy is the overarching policy, with the subsidiaries fine-tuning it to align with the local regulatory and safety directorates. The health and safety of people is of utmost importance to TCL and the Company is keen to address any risk that could pose a threat to a safe and healthy work environment. To ensure steady improvement in the SHE performance, the Company has adopted voluntary standards such as Tata Safety & Health Management System, OHSAS 18001, Responsible Care and the British Safety Council guidelines.

The Company's approach to safety is cohesive and integrates individual and group values, attitudes, competencies and patterns of behaviour. As an organisation, the Company's commitment towards its safety management programs follows a top-down approach, with the senior management persistently working towards establishing, demonstrating, sustaining and improving the safety culture and incorporating the Company's core value of safety in their daily responsibilities. The Company places the collective ownership of safety and demands excellence and accountability from every individual. The workforce is actively involved in promoting safety and a conscious effort is made to keep them engaged. Cross-functional teams, joint management-workmen committees headed by Senior Management are formed at the site level that work with focused agenda across occupational health and safety areas, safety best practices, risk control, etc. A stronger individual commitment to safety is also built by linking variable pay/incentive to the safety record of the business for the year.

All locations of Tata Chemicals assess the high hazard areas and activities, with the intent of minimising risk to the lowest extent possible. The employees are specially trained to tackle any potential hazards that may arise in the course of their work. Additionally, tailored periodic medical check-ups are administered to the TCL people, based on the risk profile of their work area, to identify risks to human health, if any, as early as possible. Adequate medical facilities are present at all manufacturing sites; specialised medical facilities can be accessed through tie-ups with other hospitals, nursing homes, etc.

In order to ensure safety at sites, specific programs were initiated like the implementation of Process Safety & Risk Management at Mithapur, Hazard Identification Tours and LEAKS program in North America, Safety Charters reviews at Magadi, improvements in the training program and introduction of certification program at various locations of Tata chemicals in India as well as Global operations. Mithapur site received a Runner-up shield from Gujarat Safety Council for the year 2016 (previous year performance assessed in FY 2017-18) for "Lowest Disability Injury Index". Middlewich operations in the UK won Safety Award for "An Innovative New Approach to training, using 'Virtual reality' during EU salt European General Assembly meeting in Basel Switzerland". From the past seven years, the Company has been achieving the best Safety performance through 76% reduction in Recordable Injury Frequency rate. In Supply chain Safety, TCL's Safety requirements are communicated to the third parties, periodic audits are conducted and the Company is handholding the third parties to improve their safety practices and align their performance to TCL's Target Zero Harm.

SUSTAINABILITY

Long term sustainability has always been Tata Chemicals' core guiding principle. Our Corporate Sustainability Policy that is aligned to the Tata Group sustainability policy further guide our actions and relationships with all our stakeholders. In a changing world, the Company strives to be ahead of the curve, by aligning itself even more closely with all its stakeholders. Constant efforts are made to understand sustainability aspects of the various stages of our value chain and increase stakeholder engagement to identify opportunities that meet 'essential needs' relating to economic, environmental and social aspects. While we are driven by our mission, 'Serving Society through Science', our unwavering commitment to be an innovative, sustainable organisation and to empower our communities, pushes us to think of new ways to achieve the balance between our social, environmental and economic goals. The Company has a dedicated corporate sustainability department that works closely with businesses and facilitates incorporation of key processes within the Company. The Company uses various frameworks to help in this journey. These include ISO 14001, OHSAS 18001, GRI framework, Carbon Disclosure, UNGC, etc. and we work on disclosures across these frameworks. Aligned with the UN Global Sustainable Development goals, the Company is working on further reducing our water and carbon footprints, managing waste and increasing the reach and impact of our community development initiative especially in the neighbourhoods of all manufacturing plants.

Integrated Report

In accordance with the International Integrated Reporting Council (IIRC) Framework, Tata Chemicals has included an Integrated Report <IR> as part of this Annual Report. <IR> seeks to provide a concise and integrated account of how our strategy, governance, performance and prospects are delivering on its core purpose – being a global company. <IR> encompasses all key non-financial performance indicators which are material to the Company as per Global Reporting Initiative (GRI), United Nations Global Compact (UNGC), and Carbon Disclosure Project (CDP).

Business Responsibility Report

Tata Chemicals continues to report on its Business Responsibility in line with the Regulation 34(2)(f) of the SEBI Listing Regulations. The Business Responsibility Report detailing the initiatives taken from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report and also hosted on the Company's website www.tatachemicals.com.

Sustainability Reporting

The Company strives to be a leader in corporate sustainability and continues to focus on the triple bottom-line. One of the key elements of sustainability is ensuring transparency and disclosures. The Company has used the GRI-G4 guidelines as a basis for informing all stakeholders our sustainability performance. Sustainability Report 2016-17 covered all major manufacturing plants of Tata Chemicals across the Globe. This year's <IR> in the Annual Report contains assured sustainability data for FY 2017-18. All additional information from all geographies, not covered under the <IR>, will also be available in the public domain shortly and can be viewed in the Sustainability section of our website www.tatachemicals.com.

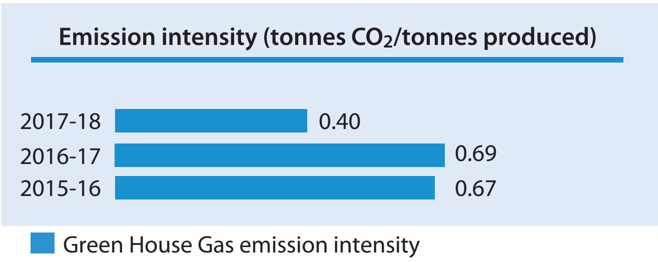
United Nations Global Compact ('UNGC')

The Company is a signatory to the UN Global Compact that promotes ten principles in the areas of human rights, labour standards, environment and anti-bribery. The Company has been preparing and uploading the Communication on Progress ('COP') since 2005. The Company continues its commitment to the UN Global Compact and will submit its COP on the ten UNGC principles for FY 2017-18. The details of UNGC can be viewed on www.unglobalcompact.org and on the Company's website www.tatachemicals.com.

Carbon Disclosure Project ('CDP')

CDP is a not-for-profit charity that facilitates the global disclosure system for investors, companies, cities, states and regions and helps them to manage and report on their environmental impacts. It has developed a system that leads an engagement on environmental issues across the world. Its vision is to develop a thriving economy that works for both people and planet. Tata Chemicals has been reporting on CDP climate change, CDP water and CDP supply chain.

Currently, CDP not only helps in disclosure, but also helps to evaluate the performance based on predefined performance categories. This helps the organisation to perform better on an Y-o-Y basis to achieve the desired goal. Tata Chemicals has maintained the performance grade "B" in CDP 17 as well, same as previous year.



BUSINESS EXCELLENCE

The Company remains committed to continually raise the bar on performance in all aspects of the business. The Tata Business Excellence Model ('TBEM') serves as a pivotal framework that allows the Company to gain insights into its performance and establish continuous improvement initiatives for attaining superior business results and maximising satisfaction and value to the customers. The TBEM framework comprises six core aspects of business excellence: Leadership, Strategic Planning, Customer Focus, Measurement Analysis and Knowledge Management, Workforce Focus and Process Management. For a global organisation which has its manufacturing operations spread across four continents, with diverse business segments and employees from different cultures, TBEM serves as a platform to establish a common standard of excellence. The Company participates in the Tata Group level TBEM assessments, which provide valuable inputs into the strengths and areas of focus for the Company. This helps TCL to strengthen the culture of excellence and progress towards becoming a world class organisation.

INTERNAL CONTROLS

The Company has an independent Internal Audit Department with well-established risk management processes both at the business and corporate levels. The Controller - Risk reports directly to the Chairman of the Audit Committee of the Board of Directors, which ensures process independence.

The scope and authority of the Internal Audit Department is derived from the Audit Charter approved by the Audit Committee. To have access to advance and cutting edge data analytical tools and technologies along with inputs and insights on industry best practices, the Company has co-partnered and engaged a reputed external firm was ensured from second quarter of FY 2017-18. 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 Audit Committee meets on a quarterly basis to review and discuss the various Internal Audit reports and also review closure of all agreed actions and compliance to the audit plan.

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

The IT enabled CSA process provides a good bottom-up approach and build up for the CEO/CFO certification as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, besides helping in awareness creation of controls across a wide segment of the Company employees. This complements the Internal Audits conducted to ensure total coverage during a year.

RISK MANAGEMENT FRAMEWORK

The following section discusses various dimensions of TCL's Enterprise Risk Management. The risk-related information outlined in this section is not exhaustive and is for information purposes only. The discussion may contain statements, which may be forward looking in nature.

The Company's business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements.

Overview

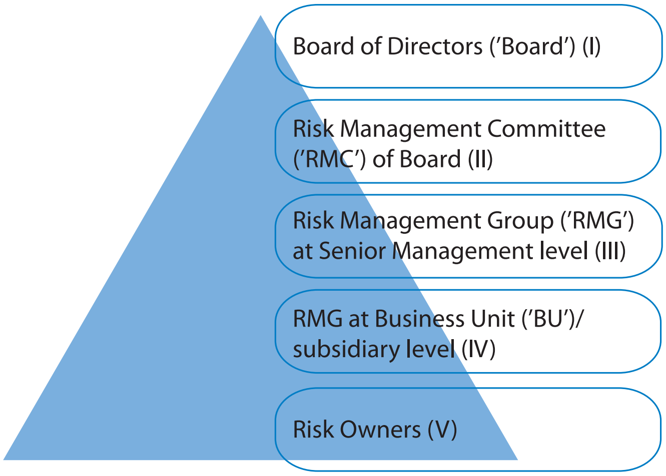
Risk Management and Internal Audit functions complement each other. Enterprise Risk Management ('ERM') at TCL seeks to minimise adverse impact on the business objectives and enhance stakeholder value.

Over the years, the 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 ERM process framework has evolved and matured over the years and is based on international standards such as ISO 31000 and Committee of Sponsoring Organisations of the Treadway Commission ('COSO') with inputs drawn from the best practices of leading companies across industries.

RISK MANAGEMENT: GOVERNANCE STRUCTURE

The risk management framework works at various levels across the enterprise. The key roles and responsibilities regarding risk management in the Company are summarised as follows:



Level	Key roles and responsibilities
I.	• Reviewing and guiding risk policy of the Company • Ensuring the integrity of the systems for risk management
II.	• Overseeing the Company's risk management process and controls • Setting strategic plans and objectives for risk management, risk philosophy and risk minimisation • Reviewing compliance with policies implemented by the Company • Reviewing risk assessment of the Company annually and exercising oversight of various risks including strategic risk, operational risks, market risk, etc. • Oversight of the Company's risk tolerance and risk appetite • Report and update to the Board periodically on various matters it has considered
III.	• Identification and review of enterprise risks from time to time, initiating mitigation actions, identifying owners and reviewing progress • Identification and review of risk appetite and risk trigger (at Enterprise Level) • Implementation of Risk reduction strategies • Formulating and deploying Risk Management Policy • Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks • Providing updates to RMC from time to time on the enterprise risks and actions taken
IV.	• Reviewing respective BU/Subsidiary risks from time to time, initiating mitigation actions, identifying owners and reviewing progress • Identification and review of risk appetite and risk trigger (at BU/Subsidiary Level) • Implementation of risk reduction strategies • Deploying Risk Management Policy • Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks • Providing updates to RMG and RMC level from time to time on the respective SBU risks and actions taken
V.	• Responsible for developing and acting on risk mitigation plan • Providing periodic updates to RMC on risks with mitigation plan

Risk Categories

The following broad categories of risks have been considered in the risk management framework:

- **Strategic Risk** – includes the range of external events and trends (like Government policy) that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value.
- **Reputational Risk** – includes range of events that creates a mismatch between stakeholder expectations and his/her perception about the Company's performance around those expectations.
- **Operational Risk** – are those risks which are associated with operational uncertainties like failure in critical equipment, attrition, etc.
- **Regulatory and Compliance Risk** – Risks due to inadequate compliance of regulations, contractual obligations and intellectual property violations leading to litigation and loss of reputation.
- **Financial Risk** – This covers financial risks facing the organisation in terms of internal systems, planning, funding, etc.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Corporate Governance Report

"The Tata philosophy of management has always been, and is today more than ever, that corporate enterprises must be managed not merely in the interests of their owners, but equally in those of their employees, of the consumers of their products, of the local community and finally the country as a whole."

- J.R.D. Tata

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company has over the years followed best practices of Corporate Governance. The Company is committed to the Tata Code of Conduct ('TCoC') enunciated by the Tata Group. TCoC articulates values and ideals that guide and govern the conduct of the Tata companies as well as its employees in all matters relating to business. The Company's overall governance framework, systems and processes reflect and support our Mission, Vision and Values.

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders and the Companys Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Director as well as for its Non-Executive Directors. The Company has also adopted the Guidelines on Board Effectiveness ('Governance Guidelines' or 'Guidelines') to fulfill its responsibilities towards its stakeholders.

The Company has disclosed the requirements stipulated under Regulations 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable, with regard to Corporate Governance. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board of Directors of the Company is totally committed to the best practices within the Company for effective corporate governance practices. The Board regularly reviews and updates corporate governance practices to accommodate developments within the market place in general and the business in particular.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board.

As on 31 March, 2018, the Board comprised six Directors, out of which five are Non-Executive Directors and one Managing Director & CEO. Out of the total strength, three (i.e. 50%) are Independent Directors (including one woman Independent Director). The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

The Company currently has right mix of Directors on the Board who possess the requisite qualifications and experience in general corporate management, finance, banking, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Detailed profile of the Directors is available on the Company's website at www.tatachemicals.com.

Board of Directors

The composition and category of Directors, attendance at the last Annual General Meeting ('AGM') for the Financial Year ('FY') 2017-18 and the number of Directorships and Committee Chairmanships/Memberships held by them as on 31 March, 2018 are as follows:

Name of the Director	Category of the Director	Directors' Identification Number	Whether attended AGM on 9 August, 2017	Number of directorships in other public limited companies*		Number of committee positions held in other public limited companies**	
				Chairman	Member	Chairman	Member
Mr. Bhaskar Bhat	Non-Independent, Non-Executive	00148778	Yes	3	6	-	3
Mr. Nasser Munjee	Independent, Non-Executive	00010180	Yes	2	5	4	1
Dr. Y. S. P. Thorat	Independent, Non-Executive	02652734	Yes	-	3	1	2
Ms. Vibha Paul Rishi	Independent, Non-Executive	05180796	Yes	-	9	-	5
Mr. S. Padmanabhan	Non-Independent, Non-Executive	00306299	Yes	2	3	-	1
Mr. R. Mukundan	Managing Director & CEO	00778253	Yes	-	3	-	-

* *Excludes directorships in associations, private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships*

** *Represents Chairmanships/Memberships of Audit and Stakeholders Relationship Committees in listed/unlisted public limited companies*

Notes:

Ms. Padmini Khare Kaicker (DIN: 00296388) was appointed as an Additional and Independent Non-Executive Director of the Company with effect from 1 April, 2018.

Mr. Zarir Langrana (DIN: 06362438) was appointed as an Additional and Executive Director of the Company with effect from 1 April, 2018.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

None of the Directors of the Company is related to each other and there are no inter-se relationships between our Directors.

As on 31 March, 2018, except Mr. Mukundan who is holding 500 ordinary shares of the Company, no other Director is holding any shares in the Company. Further, Mr. Zarir Langrana, who was appointed as an Executive Director of the Company with effect from 1 April, 2018 also holds 3,666 ordinary shares of the Company. The Company has not issued any convertible instruments.

The Seventy-Eighth AGM of the Company was held on 9 August, 2017.

Board Procedure

The calendar of meetings of the Board and Committees is agreed upon at the beginning of the year.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that Terms of Reference/Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. Meeting effectiveness is ensured through clear agenda, circulation of material in advance, detailed presentations at the meetings and tracking of action taken reports at every meeting. Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees, which brings in the requisite accountability and also provide developmental inputs.

The Board plays a critical role in the strategy development of the Company. The Managing Director apprises the Board on the overall performance of the Company every quarter including the performance of the overseas operating subsidiaries. The Board periodically reviews the strategy, annual business plan, business performance of the Company and its key subsidiaries, technology and innovation, quality, customer centricity, capital expenditure budgets and risk management, safety and environment matters. Amongst other things, the Board also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly/half-yearly/annual results, corporate restructuring, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs/write-backs, minutes of the meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

All the Board and Committee meetings conducted are paperless meetings with documents securely uploaded on the Board Application and accessed through an iPad. This has resulted in saving paper, reducing the cycle time to make documents available to the Board/Committee Members and increasing confidentiality.

Video conferencing facility is also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

Board Meetings Held

The Board met 9 (nine) times during the FY 2017-18 on 26 May, 2017, 8 August, 2017, 27 September, 2017, 13 October, 2017, 6 November, 2017, 13 November, 2017, 6 February, 2018 and 23 March, 2018 (2 meetings).

The gap between two meetings did not exceed one hundred and twenty days.

Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Mr. Bhaskar Bhat	NED	9	100
Mr. Nasser Munjee	ID	8	89
Dr. Y. S. P. Thorat	ID	9	100
Ms. Vibha Paul Rishi	ID	9	100
Mr. S. Padmanabhan	NED	8	89
Mr. R. Mukundan	MD	9	100

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director

During the year under review, the Board elected Mr. Bhaskar Bhat as Chairman for each of the above meetings as the Company did not have a Chairman of the Board.

Guidelines for Board Effectiveness

The Company has adopted the Governance Guidelines to fulfill its responsibilities towards its stakeholders. The Guidelines are based on current and emerging best practices and have been prepared in line with the regulatory provisions as per the Act as well as Listing Regulations. These Guidelines provide for nomination of Directors/senior executives, composition and roles of the Board, Chairman and Directors, Board diversity, Board evaluation, retirement age of Directors and aspects relating to Committees of the Board.

INDEPENDENT DIRECTORS

Meeting of Independent Directors

During the year under review, one meeting of Independent Directors of the Company without the presence of Non-Independent Directors and members of management was held on 23 March, 2018 as required under Schedule IV of the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. At their meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, Chairman (as elected by the Board for each meeting of the Board of Directors) after taking the views of Executive Director(s) and Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Composition and Attendance

Name of the Member	No. of meeting(s) attended
Mr. Nasser Munjee	1
Dr. Y.S.P. Thorat	1
Ms. Vibha Paul Rishi	1

Terms and Conditions of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations. Formal letters of appointment were issued to the above Independent Directors. As required by Regulation 46 of the Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at www.tatachemicals.com.

None of the Directors on the Board serve as an Independent Director in more than seven listed companies. The Managing Director of the Company does not serve as an Independent Director in any listed company.

Induction and Familiarisation Programme for Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis. An induction kit is provided to new Directors which includes the annual report, a CD containing overview of the Company and its operating subsidiaries, charters of the Company, annual Board/Committee Meeting calendar, Code of Conduct for Non-Executive Directors including Independent Directors, Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, etc. Meeting with Business/Functional Heads are organised to provide brief on the business/function.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes for its Directors including review of long-term strategy, industry outlook, regulatory updates at Board and Audit Committee Meetings, Presentations on Digitalisation and IT Strategy, Tata Business Excellence Model Assessment, Goods and Service Tax, Cyber Security, Tax Litigation and updates, etc. Besides the above, presentation on risk management, HR processes, safety and sustainability initiatives of the Company are made at their respective committees where some of the Independent Directors are also members. During the year, certain Directors including Independent Directors visited overseas subsidiaries' plants in USA, UK and met the leadership teams there. The Directors spent entire day at the respective plants to get a deeper insight in the operations of the overseas subsidiaries. Some of the Directors including Independent Directors visited the Company's Sriperumbudur Plant near Chennai and also the new facility coming up in Nellore, Andhra Pradesh.

Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programme are available on the website of the Company at www.tatachemicals.com.

Appointment/Re-appointment of Directors

As required under Regulations 26(4) and 36(3) of the Listing Regulations, particulars of the Directors seeking appointment/re-appointment are given in the Explanatory Statement to the Notice of the AGM.

Code of Conduct

The Company has adopted the TCoC for its Whole-time Directors, Senior Management Personnel and other Executives which is available on the website at www.tatachemicals.com. The Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act ('Code for Independent Directors') and Regulation 17(5) of the Listing Regulations and the same is available on the Company's website at www.tatachemicals.com.

As on 31 March, 2018, all the Board members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the Managing Director forms part of this report.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Act 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.

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.

3. AUDIT COMMITTEE

The Audit Committee's role is to assist the Board fulfill its corporate governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. Accordingly, the Company has constituted its Audit Committee which is in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

The Audit Committee functions according to its charter/terms of reference that defines its composition, authority, responsibilities and reporting functions. The Board has adopted a charter of the Audit Committee for its functioning. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in its terms of reference.

Terms of Reference

The Audit Committee of the Company is responsible for supervising the Company's internal controls and financial reporting process and *inter alia*, performs the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;
- Review the functioning of Whistleblower Mechanism of the Company which shall include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner;
- Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit;
- Evaluate auditors' performance, qualification, independence and effectiveness of audit process;
- Recommend to the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fees and also approval for payment of audit and non-audit services;
- Review the adequacy of internal audit and risk management function;
- Review the adequacy of internal control systems and ensure adherence thereto;
- Scrutinise inter-corporate loans and investments;
- Review the Company's compliance with the legal and regulatory requirements and the Tata Code of Conduct and effectiveness of the system for monitoring the same;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Tata Code of Conduct for Prevention of Insider Trading;
- Review the significant related party transactions;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations.

Meetings Held

During FY 2017-18, 8 (eight) meetings of the Audit Committee were held on 18 April, 2017, 25 May, 2017, 18 July, 2017, 8 August, 2017, 10 November, 2017, 18 January, 2018, 5 February, 2018 and 26 February, 2018.

The gap between two meetings did not exceed one hundred and twenty days.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Mr. Nasser Munjee (Chairman)	ID	8	100
Dr. Y. S. P. Thorat	ID	8	100
Mr. S. Padmanabhan	NED	7	88

ID - Independent Director; NED - Non-Executive Director

Note:
Ms. Padmini Khare Kaicker, Independent Director, was appointed as a member w.e.f. 1 April, 2018

Mr. Nasser Munjee is an eminent economist and leading banker. All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Audit Committee. The composition of the Committee is in conformity with Section 177 of the Act and Regulation 18(1) of the Listing Regulations.

The Chairman of the Audit Committee has one on one meetings both with the internal auditor and the statutory auditors to discuss key concerns on periodic basis.

The Managing Director & CEO, Executive Director, Chief Financial Officer, Statutory Auditor, Controller - Risk & Internal Auditor and Vice President & Group Corporate Controller attend and participate in all the meetings of the Committee. The Chief Operating Officers and Chief Human Resources Officer attend the meetings where Internal Audit Reports are discussed. The Committee from time to time also invites such of the executives, as it considers appropriate, to be present at the meetings.

During the year, the Committee reviewed the key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems to the Committee. The Audit Committee also reviewed the reports on leadership of business ethics, reports on dealings under Prohibition of Insider Trading Regulations and related party transactions. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee Meeting are placed in the next meeting of the Board.

Mr. Nasser Munjee, Chairman of the Audit Committee, was present at the last AGM held on 9 August, 2017.

4. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise, independence and execution. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

Terms of Reference

The Board has adopted a charter of the NRC for its smooth functioning covering aspects relating to composition, responsibilities, evaluation process, remuneration, Board development and reviewing HR strategy. The key terms of reference of the NRC, *inter alia*, are:

- Make recommendations to the Board regarding the setup and composition of the Board;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel ('KMP') and other employees;
- Support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and Individual Directors;
- Formulate criteria for evaluation of Directors and the Board;
- Recommend to the Board, the appointment of KMP and executive team members;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team members of the Company;
- Devise a policy on Board diversity;
- Recommend to the Board the appointment or re-appointment of Directors;
- Review matters related to remuneration and benefits payable upon retirement and severance to the Managing Director/Executive Director(s), KMP and executive team members;
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP and executive team members;
- Oversee familiarisation programmes for Directors;
- Review HR and people strategy and its alignment with the business strategy periodically or when a change is made to either;
- Provide guidelines for remuneration of Directors on material subsidiaries;
- Perform other activities related to the charter as requested by the Board from time to time.

Meetings Held

During FY 2017-18, 4 (four) meetings of NRC were held on 26 May, 2017, 24 November, 2017 and 23 March, 2018 (2 meetings).

Composition and Attendance

The composition and the terms of reference of the NRC are in compliance with the provisions of Section 178(1) of the Act and Regulation 19 of the Listing Regulations.

Name of the Member	Category	No. of meetings attended	Attendance (%)
Dr. Y.S.P. Thorat (Chairman)	ID	4	100
Mr. Nasser Munjee	ID	3	75
Mr. Bhaskar Bhat	NED	4	100

ID - Independent Director; NED - Non-Executive Director

Dr. Y. S. P. Thorat, Chairman of the NRC, was present at the last AGM held on 9 August, 2017.

Board and Director Evaluation

During the year under review, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process of the Board, its Committees and Directors. The criteria for Board Evaluation was based on the guidance note issued by SEBI which, *inter alia*, included questionnaire on structure of the Board, meetings of the Board, functions of the Board and Management.

Criteria for Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Listing Regulations. The performance of the Board was evaluated after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January, 2017.

The procedure followed for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report.

Remuneration of Directors

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

Managing Director & CEO

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director & CEO. Annual increments are recommended by the NRC within the salary scale approved by the members of the Company and are effective 1 April each year. NRC recommends on the commission payable to the Managing Director & CEO out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director & CEO.

Details of Remuneration of Mr. R. Mukundan, Managing Director & CEO

Salary (₹)	Perquisites and Allowance (₹)	Commission* (₹)	Total Remuneration (₹)
96,00,000	1,58,31,282	3,30,00,000	5,84,31,282

* *Commission relates to FY 2017-18, which will be paid during FY 2018-19*

Non-Executive Directors

During FY 2017-18, the Company paid sitting fees of ₹ 30,000 per meeting to the Non-Executive Directors for attending each meeting of the Board, Audit Committee and NRC; and ₹ 20,000 per meeting for attending each meeting of Stakeholders Relationship Committee, Independent Directors Meetings, CSR, Safety and Sustainability Committee and Risk Management Committee.

The members had, at the AGM of the Company held on 26 August, 2013, approved the payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at the meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Details of Commission and Sitting Fees paid to the Non Whole-time Directors for the Financial Year ended 31 March, 2018 is given below:

Name of the Director	Sitting Fees (₹)	Commission (for FY 2017-18 payable in FY 2018-19) (₹)
Mr. Bhaskar Bhat	3,90,000	*
Mr. Nasser Munjee	6,50,000	75,00,000
Dr. Y. S. P. Thorat	7,10,000	75,00,000
Ms. Vibha Paul Rishi	3,90,000	40,00,000
Mr. S. Padmanabhan	6,10,000	*
Total	**27,50,000**	**1,90,00,000**

* *In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat and Mr. S. Padmanabhan, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies.*

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

The Company has not granted any stock options to its Directors.

Service Contract, Severance Fees and Notice Period of Mr. R. Mukundan, Managing Director & CEO

Period of Contract	5 years upto 25 November, 2018
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.

Retirement Policy for Directors

The Governance Guidelines on Board effectiveness adopted by the Company provides for the retirement age of Directors. As per the Governance Guidelines, the Managing and Executive Directors retire at the age of 65 years, Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years subject to the tenure specified under Section 149 of the Act.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee ('SRC') are as under:

- To look into redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, annual report, etc.;
- To resolve the grievances of the security holders of the Company.

Meetings Held

During FY 2017-18, 2 (two) meetings of Stakeholders Relationship Committee were held on 14 June, 2017 and 9 March, 2018.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Ms. Vibha Paul Rishi (Chairperson)	ID	2	100
Mr. S. Padmanabhan	NED	2	100
Mr. R. Mukundan	MD	2	100

ID – Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO

Status of Investor Complaints as on 31 March, 2018 and reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints as on 1 April, 2017	3
Received during the year	36
Resolved during the year	39
Pending as on 31 March, 2018	0

The complaints have been solved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies and letters pertaining to fraudulent encashment.

Name, designation and address of the Compliance Officer

Mr. Rajiv Chandan
General Counsel & Company Secretary
Tata Chemicals Limited
Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001
Tel. No.: +91 22 66658282
Fax No.: +91 22 66658144
Email: investors@tatachemicals.com

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

6. CSR, SAFETY AND SUSTAINABILITY COMMITTEE

The CSR, Safety and Sustainability ('CSS') Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes, health and safety framework and sustainable development. The overall roadmap, as well as specific issues of concern including those related to safety and climate change is reviewed in detail. The scope of the CSS Committee also includes approving the budget of CSR, reviewing the CSR programmes and monitoring the CSR spends.

Terms of Reference

The terms of reference of the CSR, Safety and Sustainability Committee, *inter alia*, are as under:

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

The Board has adopted a charter for the CSS Committee for its smooth functioning. The Board has also adopted the CSR Policy as formulated and recommended by the CSS Committee. The same is displayed on the website of the Company. A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

Meetings Held

During FY 2017-18, 3 (three) meetings were held on 14 June, 2017, 24 November, 2017 and 9 March, 2018.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Mr. S. Padmanabhan (Chairman)	NED	3	100
Ms. Vibha Paul Rishi	ID	3	100
Mr. R. Mukundan	MD	3	100

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO

Chief-Safety and Chief-CSR & Sustainability are the permanent invitees to the meetings of the Committee. The General Counsel & Company Secretary attends the meetings.

7. RISK MANAGEMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 100 listed entities based on market capitalisation as at the end of the immediate previous financial year to constitute the Risk Management Committee ('RMC'). Although non-mandatory, the Company has constituted a RMC of the Board in February, 2015.

The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management process and controls. RMC, through the Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. The Board has adopted a charter for the functioning of the RMC covering the composition, meetings, quorum, responsibilities, etc.

Terms of Reference

The terms of reference of the RMC, *inter alia,* are as under:

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management;
- Review and approve the Enterprise Risk Management (ERM) framework;
- Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- Review and analyse risk exposure related to specific issues and provide oversight of risk across organisation;
- Review compliance with risk policies, monitor breach/ trigger trips of risk tolerance limits and direct action;
- Nurture a healthy and independent risk management function in the Company.

Meetings Held

During FY 2017-18, 3 (three) meetings were held on 18 April, 2017, 18 July, 2017 and 18 January, 2018.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Dr. Y.S.P. Thorat (Chairman)	ID	3	100
Mr. Nasser Munjee	ID	3	100
Mr. S. Padmanabhan	NED	3	100
Mr. R. Mukundan	MD	3	100
Mr. John Mulhall	CFO	3	100

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO; CFO - Chief Financial Officer

Notes:

Mr. Nasser Munjee has ceased to be a member of RMC with effect from 1 April, 2018 and Mr. Zarir Langrana has been inducted as a member of RMC with effect from 1 April, 2018.

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.

8. SUBSIDIARY COMPANIES

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, Independent Directors have been appointed on the Board of key operating subsidiaries. The minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at www.tatachemicals.com. The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

9. GENERAL BODY MEETINGS

Day, date and time of AGMs held during the last 3 years and Special Resolutions passed are given as below:

Year	Day and Date	Time	Special Resolutions
2016-17	Wednesday, 9 August, 2017	3.00 p.m.	There was no matter that required passing of Special Resolution
2015-16	Thursday, 11 August, 2016	3.00 p.m.	There was no matter that required passing of Special Resolution
2014-15	Tuesday, 11 August, 2015	3.00 p.m.	There was no matter that required passing of Special Resolution

The above meetings were held at Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.

- A National Company Law Tribunal convened Meeting of the equity shareholders of the Company was held on 8 May, 2017 at 3:00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai 400 020 pursuant to the Order dated 1 March, 2017 of the Hon'ble National Company Law Tribunal, Mumbai, for obtaining the approval of the Members of the Company by requisite majority for the Scheme of Arrangement between Tata Chemicals Limited and Yara Fertilisers India Private Limited under Sections 230 to 232 of the Companies Act, 2013 for sale of Urea and Customised Fertilisers business of the Company.

Postal Ballot

a) During the year, pursuant to Sections 230-232 read with Section 110 of the Act and Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company had provided the facility of remote e-voting and Postal Ballot to its Members as well as facility of voting through electronic voting at the venue of the Meeting for obtaining the approval of the Members of the Company by requisite majority for the Scheme of Arrangement between Tata Chemicals Limited and Yara Fertilisers India Private Limited for sale of Urea and Customised Fertilisers business of the Company ('Scheme of Arrangement').

The Company had appointed Mr. P. N. Parikh of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer.

The Company had sent the Notice dated 1 April, 2017 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Equity Shareholders on the cut-off date i.e. 1 April, 2017. The voting period for remote e-voting as well as postal ballot commenced on Saturday, 8 April, 2017 and ended on Sunday, 7 May, 2017 and the NSDL e-voting platform was blocked thereafter.

On 8 May, 2017, at the venue of the NCLT convened meeting, the consolidated report on the result of the remote e-voting/postal ballot forms and the voting conducted at the venue of the NCLT convened meeting in respect of the resolution for approving the Scheme of Arrangement was provided by the scrutinizer and result was announced as under:

In favour		Against	
Percentage of members voted	Percentage of valid Votes	Percentage of members voted	Percentage of valid Votes
95.65	99.99	4.35	0.01

b) During FY 2017-18, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company passed the special resolution under Section 180(1)(a) of the Act for sale of Phosphatic Fertiliser business and Trading business ('Divestment') on a going concern, by way of a slump sale, through postal ballot. The Company had appointed Mr. P. N. Parikh of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer for conducting the postal ballot voting process (including e-voting).

The Company had sent the Postal Ballot Notice dated 24 November, 2017 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode. The voting under the postal ballot/e-voting was kept open from 12 December, 2017 to 10 January, 2018 (either physically or through electronic mode). All postal ballot forms received up to the close of working hours on 10 January, 2018, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny.

On 10 January, 2018, proposal for the above divestment was passed by way of a special resolution and the results for the postal ballot were announced as under:

In favour			Against		
Total no. of members voted	No. of valid Votes	%	Total no. of members voted	No. of valid Votes	%
1,829	16,80,53,505	99.52	90	8,03,139	0.48

None of the businesses proposed to be transacted in the ensuing AGM requires the passing of a special resolution by way of postal ballot.

10. MEANS OF COMMUNICATION

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.

The quarterly/half-yearly/annual financial results are published in the Indian Express (English), Business Standard (English), Business Line (English), Loksatta (Marathi), Free Press Journal (English) and Navshakti (Marathi).

The quarterly/half-yearly/annual financial results are displayed under 'Investors' section of the Company's website viz., www.tatachemicals.com. They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited ('BSE') through BSE Online Portal.

The Managing Director and Chief Financial Officer hold quarterly briefs with analysts, shareholders and major stakeholders where Company's performance is discussed. The official press releases, presentation made to the members at the AGM, the presentation made to the institutional investors and analysts and the transcripts of the call with analysts for quarterly/annual results are available on the Company's website under the 'Investors' section.

Reminders for unclaimed shares and unpaid dividend are sent to the shareholders as per records every year.

Company's Website

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

Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website at www.tatachemicals.com under the 'Investors' section.

The Company has also uploaded the names of the members and the details of the unclaimed dividend by the members on its website. The members can log in and find out whether their dividend for any of the years is outstanding. Information about unclaimed dividends and unclaimed shares to be transferred to IEPF is provided in the notes to the Notice of AGM.

11. 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.

Date, time and venue of the Annual General Meeting

Date and Time : Wednesday, 25 July, 2018 at 3:00 p.m.

Venue : Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020

Financial Year : 1 April to 31 March

Book Closure Date : Wednesday, 18 July, 2018 to Wednesday, 25 July, 2018 (both days inclusive for the purpose of AGM and Dividend)

Dividend payment date : On and from Friday, 27 July, 2018

Last date for receipt of Proxy Forms : Monday, 23 July, 2018 before 3.00 p.m. at the Registered Office of the Company

Listing on Stock Exchanges :

(a) The Company's Ordinary Shares are listed on the following Stock Exchanges:

(1) BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

(2) The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

(b) Unsecured Non Convertible Debentures (NCDs) of ₹ 250 crore (Face Value ₹ 10 lakh per Debenture) with coupon rate of 10.00% p.a. and having maturity date as 2 July, 2019

The Company's NCDs are listed on Debt segment of the National Stock Exchange of India Limited

The Company has paid the requisite Annual Listing fees to these Stock Exchanges in full.

Debenture Trustee : IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel: +91 22 4080 7000, Fax: +91 22 6631 1776

Stock Code:

BSE Limited (Demat Segment) : 500770

The National Stock Exchange of India Limited : TATACHEM EQ

International Securities Identification Number (ISIN) in NSDL and CDSL : INE092A01019 (Ordinary Shares)
INE092A08055 (NCDs)

Market Price Data:

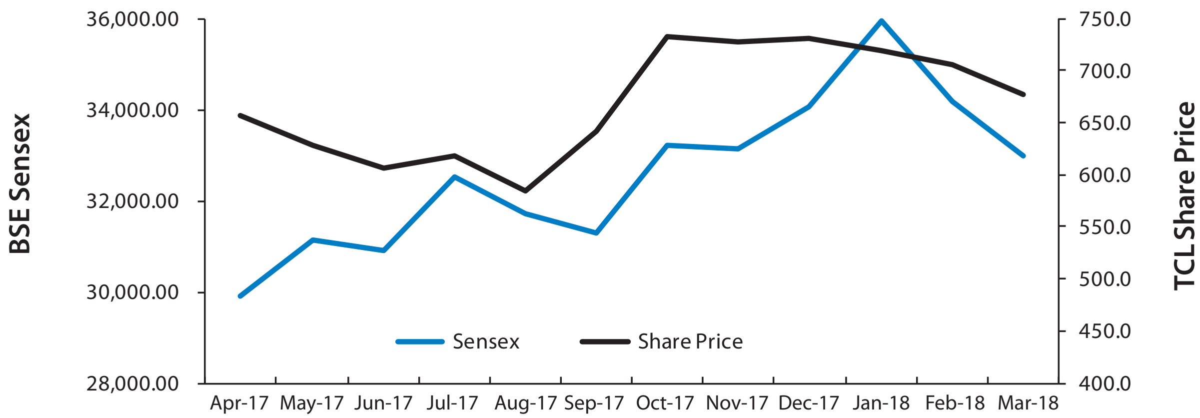
Market price data - monthly high/low/close of BSE/NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder:

in ₹

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2017	661.85	595.00	655.75	662.95	595.05	656.80
May 2017	665.10	582.00	628.25	666.50	580.95	628.30
June 2017	647.95	585.90	605.35	647.90	585.00	606.95
July 2017	661.00	610.00	617.95	657.45	611.50	619.90
August 2017	624.95	558.00	583.85	624.35	560.40	584.05
September 2017	666.75	567.65	641.00	667.50	568.10	643.15
October 2017	764.80	634.15	732.55	765.60	634.40	732.90
November 2017	754.40	702.40	726.80	754.90	702.90	726.75
December 2017	747.50	668.00	730.85	746.50	681.00	731.55
January 2018	781.20	709.00	718.45	782.00	708.65	719.00
February 2018	726.55	656.60	705.95	727.35	658.05	704.65
March 2018	707.90	653.75	676.75	708.65	650.00	677.15

[Source: This information is compiled from the data available on the websites of BSE and NSE]

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



Registrar and Share Transfer Agents

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

(i) For transfer lodgement, delivery and correspondence:

TSR DARASHAW LIMITED
Unit: **Tata Chemicals Limited**
6-10 Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011

Tel. No.: + 91 22 6656 8484 /66178411/12/13/14
Fax No.: + 91 22 6656 8494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

(ii) For the convenience of members based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices/agencies of TSR Darashaw Limited:

1. **TSR Darashaw Limited**
503, Barton Centre, (5th Floor),
84, Mahatma Gandhi Road,
Bengaluru - 560 001.
Tel.: + 91 80 2532 0321
Fax: + 91 80 2558 0019
Email: tsrdlbang@tsrdarashaw.com

2. **TSR Darashaw Limited**
Tata Centre, 1st Floor,
43, J. L. Nehru Road,
Kolkata - 700 071.
Tel.: + 91 33 2288 3087
Fax: + 91 33 2288 3062
Email: tsrdlcal@tsrdarashaw.com

5. **Agent of TSR Darashaw Limited**
Shah Consultancy Services Limited
3, Sumatinath Complex, 2nd Dhal,
Pritam Nagar, Ellisbridge,
Ahmedabad - 380 006.
Telefax: + 91 79 2657 6038
Email: shahconsultancy8154@gmail.com

3. **TSR Darashaw Limited**
2/42, Ansari Road,
1st Floor, Daryaganj,
Sant Vihar,
New Delhi - 110 002.
Tel.: + 91 11 2327 1805
Fax: + 91 11 2327 1802
Email: tsrdldel@tsrdarashaw.com

4. **TSR Darashaw Limited**
"E" Road,
Northern Town, Bistupur,
Jamshedpur - 831 001.
Tel.: + 91 657 242 6616
Fax: + 91 657 242 6937
Email: tsrdljsr@tsrdarashaw.com

Share Transfer Process

Shares in physical forms are processed by the Registrar and Share Transfer Agents within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director & CEO, General Counsel & Company Secretary and Head-Secretarial have been severally empowered to approve transfers.

Secretarial Audit

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- Mr. P. N. Parikh of M/s. Parikh & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2017-18. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

Distribution of Shareholding as on 31 March, 2018

Range of Holdings	Number of Shares	Amount (₹)	% to capital	Number of Shareholders	% of Shareholders
1 to 500	1,72,48,682	17,24,86,820	6.77	1,66,950	90.01
501 to 1,000	72,94,241	7,29,42,410	2.86	9,727	5.24
1,001 to 2,000	70,53,691	7,05,36,910	2.77	4,882	2.63
2,001 to 3,000	37,91,836	3,79,18,360	1.49	1,521	0.82
3,001 to 4,000	24,17,410	2,41,74,100	0.95	686	0.37
4,001 to 5,000	19,80,113	1,98,01,130	0.78	431	0.23
5,001 to 10,000	52,17,825	5,21,78,250	2.05	732	0.39
Above 10,000	20,97,52,480	2,09,75,24,800	82.33	544	0.29
Total	**25,47,56,278**	**2,54,75,62,780**	**100.00**	**1,85,473**	**100.00**

Category of Shareholding as on 31 March, 2018

Category	Number of Shares	Percentage
Promoter and promoter group	7,84,72,357	30.80
Resident Individuals	4,72,66,151	18.55
Foreign Holdings	3,01,10,938	11.82
Public Financial Institutions	1,83,55,012	7.21
Government/Government Companies	71,871	0.03
Other Companies, Mutual Funds	7,84,99,569	30.81
Nationalised Banks	7,00,099	0.28
Bodies Corporate - Non Banking Financial Company	2,78,705	0.11
IEPF	10,01,576	0.39
Total	**25,47,56,278**	**100.00**

Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. NSDL and CDSL.

	2017-18	2016-17
Percentage of Shares held in Physical form	2.43	2.94
Electronic form with NSDL	93.34	93.67
Electronic form with CDSL	4.23	3.39

The Company's Ordinary shares are regularly traded on the BSE and NSE.

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

Not Applicable

Commodity price risk/foreign exchange risk and hedging activities

Commodity price risk and hedging activities - Tata Chemicals Limited, India purchases a variety of commodities related to raw materials and finished products for trading. The Company manages the associated commodity price risks through commercial negotiation with customers and suppliers.

Foreign Exchange risk and hedging activities - Tata Chemicals Limited, India is exposed to foreign exchange risks on its imports of raw materials/trading goods/capital item purchases and borrowings denominated in foreign exchange. The Company has a robust internal policy, approved by its Audit Committee, to manage foreign exchange risks. Hedging is regularly carried out to mitigate the risks in line with the approved policy.

Plant Locations

- **Indian Locations:**

Chemicals Division	Mithapur 361 345, Okhamandal, Gujarat
Chennai Plant	317/2B, 317/2 C1, 317/2 C2, Vayalur Road, Kiloy Village, Sriperumbudur Taluk, Kancheepuram Dist. - 602 105
Nellore Plant (under construction)	Tata Chemicals Limited, Block 3 & 3A, APIIC Industrial Park, Phase II, Tada Mandal, Mambattu Nellore Dist - 524 401, Andhra Pradesh

- **Overseas Locations :**

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

Address for correspondence

Tata Chemicals Limited
Bombay House,
24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel. No.: +91 22 6665 8282
Fax No.: +91 22 6665 8144
Email : investors@tatachemicals.com
Website: www.tatachemicals.com

12. OTHER DISCLOSURES

Related Party Transactions

All related party transactions that were entered into during the FY 2017-18 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on related party transactions as approved by the Board is uploaded on the Company's website at www.tatachemicals.com

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.

Whistleblower Policy and Vigil Mechanism

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. 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. No personnel of the Company has been denied access to the Audit Committee.

Tata Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company.

Mr. Rajiv Chandan, General Counsel & Company Secretary, has been appointed as the 'Compliance Officer' for ensuring the compliance with and for the effective implementation of the Regulations and the Code across the Company. Mr. John Mulhall, Chief Financial Officer, has been designated as the 'Chief Investor Relations Officer' to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information.

The details of dealing in the Company's securities by Designated Persons are placed before the Audit Committee on quarterly basis.

Anti-Bribery and Anti-Money Laundering Policy

The Company has, from time to time, taken important steps for establishing and reinforcing a culture of business ethics. In view of our increasing global footprint and to align our work practices with regulations mandated for such multi-geography operations, the Board has adopted the Anti-Bribery and Anti-Corruption Policy along with the Anti-Money Laundering Policy.

The above policies require the Company to appoint a senior official as the Compliance Officer who shall be responsible for implementation of the Policies. Under the above Policies, Compliance Officers have a functional reporting about any violation of the Policies to the Chairman of the Audit Committee. Aggravated cases of breach of the said Policies shall be escalated to the Board of Directors of the Company.

Policies under the Listing Regulations

Policy on Determination of Materiality for Disclosure as per Regulation 23 of the Listing Regulations and policy on Archival and Preservation of Documents as required under Regulation 9 of the Listing Regulations are available on the website of the Company at www.tatachemicals.com.

Accounting Treatment in preparation of Financial Statements

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

CEO/CFO Certification

The Managing Director (CEO) and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/CFO certification for the year ended 31 March, 2018.

Mandatory Requirements

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

Non-Mandatory Requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is as under:

- 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 unmodified audit opinion.
- The position of the Chairman of meetings of the Board (elected by the Board from time to time) and the Managing Director & CEO remained separate.
- The Internal Auditor reports to the Audit Committee.

WEBLINKS OF CORPORATE POLICIES AND OTHER DOCUMENTS

Particulars	Website details/links
Tata Code of Conduct	http://www.tatachemicals.com/upload/content_pdf/TCOC_2015_Booklet.pdf
Policy on Related Party Transactions	http://www.tatachemicals.com/upload/content_pdf/tcl_rpt_policy.pdf
Whistle Blower Policy	http://www.tatachemicals.com/upload/content_pdf/whistle_blower_policy.pdf
Dividend Distribution Policy	http://www.tatachemicals.com/upload/content_pdf/tcl-dividend-distribution-policy.pdf
Prevention of Sexual Harassement at Workplace (POSH) Policy	http://www.tatachemicals.com/upload/content_pdf/posh-policy.pdf
Corporate Social Responsibility Policy	http://www.tatachemicals.com/upload/content_pdf/csr-policy_20161012071424.pdf
Composition and Profile of the Board of Directors	http://www.tatachemicals.com/about-us/Leadership-team/Board-of-directors
Terms and Conditions of Appointment of Independent Directors	http://www.tatachemicals.com/upload/content_pdf/tatachem-terms-conditions-appointment-2018.pdf
Familiarisation Programme for Independent Directors	http://www.tatachemicals.com/upload/content_pdf/familiarisation-programme-hours-fy-2017-18.pdf
Remuneration Policy for Directors, Key Managerial Personnel and Other Employees	http://tatachemicals.com/upload/content_pdf/tatachemicals-remu-managerial-policy.pdf
Code of Conduct for Non-Executive Directors	http://www.tatachemicals.com/upload/content_pdf/TCOC-non-executive-directors.pdf
Policy on determination of Materiality for Disclosure(s)	http://www.tatachemicals.com/upload/content_pdf/Policy_on_Materiality_for_Disclosures1.pdf
Policy on determining Material Subsidiaries	http://www.tatachemicals.com/upload/content_pdf/material_subsidiary.pdf
Code of Corporate Disclosure Practices	http://www.tatachemicals.com/upload/content_pdf/code_of_corporate_disclosure_practices.pdf
Archival and Preservation of Documents Policy	http://www.tatachemicals.com/upload/content_pdf/Archival_Policy_1.pdf
For details of unclaimed dividend by the members	http://tatachemicals.com/html/Investors/unclaimed-dividends.html

DECLARATION BY THE MANAGING DIRECTOR & CEO

I, R. Mukundan, Managing Director & CEO 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 Regulation 26(3) of the Listing Regulations for the year ended 31 March, 2018.

For Tata Chemicals Limited

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
TATA CHEMICALS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Chemicals Limited ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

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 Parikh & Associates
Practising Company Secretaries

P. N. Parikh
FCS: 327 CP: 1228

Mumbai, May 18, 2018

Business Responsibility Report for Financial Year 2017-18

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. **E-mail id:** corporate_communications@tatachemicals.com; sustainability@tatachemicals.com
6. **Financial Year reported:** 1 April, 2017 – 31 March, 2018
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 Fertilizers*
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, machinery equipment and hand tools
360	Water Purifiers

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

** Discontinued Operations*

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
   - Chemicals: Soda Ash, Sodium Bicarbonate, Cement
   - Edible Salt, Pulses, Spices
   - Urea, Mixed fertilizers and Agri inputs (Discontinued Operation)
   - Nutritional Solutions
   - Tata Swach – Water purifier
9. **Total number of locations where business activity is undertaken by the Company:**
   - Number of International Locations: 4 - through its subsidiaries in USA, UK, Kenya and Singapore
   - Number of key National Locations: 8 - Mithapur, Sriperumbudur, Mumbai, Noida, Ahmedabad, Innovation Centre - Pune, Babrala and Haldia (Disconinued Operations)
10. **Markets served by the Company - Local/State/National/International:** All

Section B: Financial Details of the Company as on 31 March, 2018

Sr. No.	Particulars	FY 2017-18 Standalone ₹ in Crore	FY 2017-18 Consolidated ₹ in Crore
1	**Paid up capital**	254.82	254.82
2	**Revenue from operations**	3,524.17	10,345.36
3	**Total profit after taxes, share of profit of joint ventures and non-controlling interests (Continuing and Discontinued Operations)**	1,766.96	2,433.08
4	**Total spending on Corporate Social Responsibility ('CSR') as percentage of profit after tax (%)**	CSR spend as per Section 135 read with Schedule VII of the Companies Act, 2013 : ₹ 14.28 crore (1.70% of Average Net Profit for last 3 years) Overall CSR spend: ₹ 17.47 crore	

5. **List of activities in which expenditure in 4 above has been incurred: As per Schedule VII of the Companies Act, 2013.**

   (I) Total Social & Community Development
   - Eradicating hunger, poverty and malnutrition
   - Promoting health care including preventive healthcare
   - Sanitation and making available clean drinking water
   - Promoting education including special education especially amongst children, women, elderly and the differently abled
   - Employment enhancing vocation skills especially amongst children, women, elderly and the differently abled
   - Livelihood enhancement projects
   - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans
   - Measures for reducing inequalities faced by socially and economically backward groups
   - Protection of natural heritage, art and culture
   - Promotion and development of traditional arts and handicrafts
   - Training to promote rural sports
   - Contribution to the Prime Minister's Relief Fund and any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward castes, minorities and women

- Rural development projects
- Office salary, miscellaneous expenses, general expenses

(II) Environmental & Conservation of Natural Resource Projects

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

(III) Donations exempt under Section 80G, 35AC of the Income Tax Act, 1961 in areas other than the above

Donation to other institutions including for disaster relief work and other activities.

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 31 March, 2018: 36

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%

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 & CEO

b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	07478885
2.	Name	Ms. Alka Talwar
3.	Designation	Chief CSR and Sustainability Officer
4.	Telephone Number	022-6643 7530
5.	E-mail id	sustainability@tatachemicals.com; atalwar@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 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.

(a) Details of compliance (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/ ISO14001)	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://sustainability.tatachemicals.com/assets/e-book/tata-chemical-sustainability-2017/index.html								
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:-*

International Organisation for Standardisation (ISO-9001, ISO-14001), Occupation Health and Safety Assessment Series (OHSAS – 18001), Responsible Care (RC-14001), Social Accountability (SA-8000), Global Reporting Initiative (GRI-G4) and United Nations Global Compact (UNGC).

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

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
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					NA				
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 assesses 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, the Company publishes BR and Sustainability report both apart from Annual Report on an annual basis. In accordance with the IIRC Framework, Tata Chemicals has included an Integrated Report <IR> as part of this Annual Report.

  The Company also produces United Nations Global Compact Communication on Progress (UNGC – CoP) and Investor Carbon Disclosure Project (CDP) reports.

  The link to view this report is: http://sustainability.tatachemicals.com/

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. The Company has 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 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 programs 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.**

   31 complaints were received from various stakeholders in FY 2017-18. Of these, 84% (26 nos.) have been resolved satisfactorily. Others are under investigation and will be closed shortly.

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.**

   Our Living Essentials product range aims to provide nourishment and nutrition to millions of consumers across India. Through the freshly launched Tata Sampann, we offer high-protein unpolished pulses and aromatic spices, designed for the modern Indian household. Packed with the promise of wholesome nutrition, and a guarantee of purity and freshness, Tata Sampann pulses and spices are available in 16 states across India.

   The Tata Nx range provides next-level nutritional products and healthy ingredients to meet the nutritional needs of evolving Indian palettes, with products including low-calorie sugar substitutes. Our innovative, low-cost, offline water purifier Tata Swach provides safe and inexpensive drinking water to thousands of households, through a Social Enterprise model.

   The array of Industry Essential products, strives to provide sustainable, inorganic chemistry solutions to customers across the globe, through our manufacturing operations in India, US, UK and Kenya. Our key products of soda ash and sodium bicarbonate are vital ingredients to diverse industries including glass, detergents, sodium silicate, textiles, food, feed, mining and chemical processing. Our business strategy has helped cement our position as a formidable player, with the capability to deliver value-added, distinguished products and pioneering solutions, cost-competitively.

   (i) **Tata Salt Plus:** India has a high incidence of Iron Deficiency Anaemia ('IDA'). To address the same, we launched Tata Salt Plus, a double fortified salt which contains iron and iodine. It provides up to 50% of the body's daily requirement of iron. Since salt is used across all sections of the society throughout the year, this is an effective way to deliver iron to the populace and thus tackle the problem of IDA.

   (ii) **Spices:** We have launched high quality spices using international markers like Curcumin content for Turmeric and Capsaicin for Chilli powder. In blends, unspent spices (spices from which oils are not extracted) are used by us. This ensures that the nourishing quality of our spices is retained. Spices are known for their anti carcinogenic, anti oxidant and digestive properties.

   (iii) **Fructo Oligosaccharide ('FOS'):** Nutra plant produces FOS through biotechnology route, no chemical synthesis step is involved in the entire manufacturing process. FOS is a prebiotic dietary fibre available naturally in fruits and vegetables. Intake of FOS promotes growth of helpful bacteria in colon, in addition FOS being a very low calorie sweetener, is an ideal alternative for sugar.

(iv) **Water Purifier – Tata Swach:** Safe drinking water is a basic human need 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. This year Tata Swach launched a new filter cartridge that provided upto 6000 litres of clean drinking water.

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?**

We use solar energy for production of solar salt which is an input to our production process. At Mithapur, we achieved 5.04% reduction in Specific Water consumption. We also improved our water use in the Sriperumbudur facility by achieving 4.5% reduction in Specific Water consumption during 2017-18 from the previous year.

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Chemicals which we produce are intermediate products for the customers to produce final products such as glass, detergents, etc. The Company set target annually to improve energy efficiency, water consumption, waste management, etc. to produce intermediate products for the customers.

Water purifier consumes zero electricity which helps customers in saving electricity at their end. Also, it does not make use of harmful chemicals.

In Food segment, we ensure quality of the products in such a way that it acts as nutritional ingredient for the customers.

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, the Company has developed supplier sustainability code and has established process for vendor selection. This includes various principles and guidelines; like Tata Code of Conduct, Global Reporting Initiative, United Nations Global Compact, Social Accountability-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 Bulkers to help reduce carbon footprint.

Bulker helps in continuing journey towards pollution prevention, minimisation of waste, eliminating the efforts of packaging, loading and unloading. It has an approximate capacity of 25 tonnes and can replace 3 million plastic bags each year.

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, the Company has a vendor development program. Over the years, the Company has promoted local contractors and service providers and provides them opportunities. Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and community development programs. The Company has also established an apprentice training center to improve capacity. The Company also keeps exploring development of suppliers from socially and economically backward communities under its Affirmative Action Program helping them with regulatory processes, technical training and other capacity building efforts so that they can become registered vendors of the organisations. Many of these vendors are now also vendors of other organisations besides TCL.

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.**

The Company focuses on effective integration with the basic philosophy of resource optimisation, use of alternative sources and maximisation of "recycle and reuse" by innovation.

Our cement plant at Mithapur is unique waste to wealth initiative. In 2017-18 we have replaced 84.04% of virgin 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. Effluent Solids Filter (ESF) cake is utilized to make cement.

Most of our hazardous waste (spent catalysts and used/waste oil) is recyclable and sent to Ministry of Environment and Forests (MoEF) approved recyclers. In collaboration with our chemical suppliers (Urefix-Urea toughening agent, cooling tower chemicals), we have taken up an initiative to reuse empty plastic drums.

Percentage of materials used that are recycled input materials:

Parameter	2017-18
Lime stone replaced (Mithapur)	84.04%
Sulphur Sludge (Haldia)	0.29%

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees:**

2,327 Employees in Tata Chemicals India operations as on 31 March, 2018

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

4,174 as on 31 March, 2018

3. **Please indicate the number of permanent women employees:**

138 as on 31 March, 2018

4. Please indicate the number of permanent employees with disabilities:

9 as on 31 March, 2018

5. Do you have an employee association that is recognized by management: Yes

6. What percentage of your permanent employees are members of this recognised employee association?: Approximately 35%

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	4	NIL
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?

- 77% of permanent employees have undergone training for safety, compliances and skill up-gradation.
- It is mandatory for all employees to go through the safety training at sites. Refresher on safety is also conducted on regular basis. At non-sites we conduct safety committee meetings and drills for all employees. Last year, we conducted programs on road safety for employees in offices. Drivers were also covered in this program.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

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.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes. We have a defined process for identifying key communities, their needs and prioritising interventions. Our key community consists of areas in and around our manufacturing sites. Criteria for selection of key community are based on our Mission, Vision and Values (MVV), neighbourhood of the area where we operate, impact on society and benefit to underprivileged people. The needs are identified through various listening and learning methods, participatory rural appraisal, need assessment, etc. The needs are prioritised 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 marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

- Yes. The Company follows an integrated development approach, which specifically targets the disadvantaged, vulnerable and marginalised stakeholders.
- At Tata Chemicals Limited, it has been our constant endeavour to focus on inclusive and collaborative growth. We began our journey a few years back by focusing on Affirmative Action i.e. disadvantaged communities and while we continue to progress on this road-map, we expanded our focus on diversity to additionally cover gender diversity, disadvantaged regions and the differently abled – all of which we believe are important segments that can help us create a more sustainable organisation for the future. Towards this objective, we have reconstituted our current Affirmative Action Council into a Diversity Council. The Company has instituted Diversity Council (DC) led by Managing Director and senior leaders to focus on these four areas. The Company's leadership drives the Affirmative Action agenda across the organisation with passion and commitment.
- The Company's inter-related development interventions are named as BEACoN (Blossom – Enhance – Aspire – Conserve – Nurture)
- All social initiatives are being conducted under these five verticals, around the Company's three areas of operation. It follows an integrated development approach to improve the quality of life, especially in their neighbourhoods and for the farmers. As per the need assessment, the SC/ST community across the three regions aspire for better education, health care, agriculture/animal husbandry extension, better livelihood skills and employment.
- The Company's entry level recruitments like Diploma Engineer Trainees, Graduate Engineer Trainees and Management Trainees focuses on colleges with areas dominant in SC/ST like the North East. Our internal job posting initiative 'SHINE' is further enhanced to include referrals for candidates from the economically and socially backward communities. Indirect employment is also being provided at Mithapur and Babrala through our rural Business Process Outsourcing ('BPO') – Uday Foundation and ChemConnect, which enables the business to outsource some of its non-core activities. Seamlessly Harnessing Internal Expertise+ (SHINE+) is a corporate initiative, which has higher reward for shortlisting of candidates that help improve the Company's employee diversity especially for gender diversity, social and economically backward regions and communities and for differently challenged candidates.

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?**

   The 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.

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?**

   - The Company has made Supplier Sustainability Guidelines to extend the reach for capturing the sustainability aspect data from its suppliers. The Company also works with Government, Non-Governmental Organizations on different projects for environmental protection.
   - The Company's policies - Safety Health & Environment (SHE), Corporate Sustainability, Community Development; extend support to all stakeholders influencing the entire value chain. This also helps in sustaining environmental impacts beyond the prescribed limits and addresses social responsibility.

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. Tata Chemicals Limited has adopted Tata Group's Climate Change Policy which is an integral part of the Company's strategy to help the organization's growth in a Carbon conscious manner.
   - The Company has strategy, which includes: identifying opportunities for carbon abatement, investing in low carbon growth and tapping into opportunities presented by the emerging low carbon technologies. It has identified abatement levers, low carbon growth opportunities and carbon offset opportunities towards that end. The carbon abatement measures are chosen on the basis of the techno-commercial feasibility of implementation, maturity and availability of technologies and the magnitude of emissions reduction. Moreover, the Company has adopted internal carbon pricing as an additional indicator to address environment issues. With the divestment from fertiliser business, we are in the process of resetting targets on carbon abatement and climate change adaption.

Biodiversity

- We conduct Environment Impact Assessment studies to assess the impacts of our operations on nearby biodiversity and surrounding environment periodically.
- While operating in harsh ecological conditions/semi-arid conditions at Mithapur site, highly alkaline soil conditions at Babrala site, the Company has restored the ecological balance in the surrounding habitats by converting waste lands into greenbelt.
- Our commitment towards continual improvement is triggering programs such as Mangrove conservation and regeneration at West Coast near Mithapur and at East Coast for Aila affected region of Sundarban near Haldia.
- For preserving biodiversity of Okhamandal, we conducted biodiversity reserve plantation project, implemented with the support of employee volunteers, seeks to preserve indigenous vegetation. Under the project, a total of 150 acres of land have been afforested with 133 native species of vegetation.
- We have initiated the process for Bio-diversity mapping and improving the same at Babrala township area. We continue to support species conservation efforts through the 'Dharti Ko Arpan' programs detailed in the community support section.
- Our salt works provide a safe habitat for a number of migratory aquatic birds, who use this space to roost and breed. We continue to be good hosts to them.
- The Organisation has also adopted Tata Group initiative on valuation of natural capital program for Chemicals business to pilot the protocol developed by Natural Capital Coalition.
- Greening of Salt pan is another initiative which the Organisation has taken up to support the biodiversity around its chemicals business.

Water management, Water Footprinting, Carbon Footprinting

- Life Cycle Assessment ('LCA') study for key products, Carbon Footprint (CFP) and Water Footprint (WFP) assessment for all sites were taken up. Based on these assessments, we derived targets and strategy for climate change and water management. Our Mission Jal program is the strategy for addressing water footprint outcomes through the value chain.
- CDP's carbon action initiative facilitates the companies to implement cost-effective greenhouse gas emissions reductions initiatives in line with emerging best practices. It is becoming increasingly important to be able to evaluate exposure of a specific company to the material risks and opportunities presented by climate change, both in its direct operations and in its value chain. The Company uses the power of measurement and information disclosure to improve the management of environmental risk. The Company responds to CDP Carbon, CDP Water and CDP Supply chain. This enables the organisation to implement climate change, water management and supplier engagement strategies.
- For more information visit - http://sustainability.tatachemicals.com/assets/e-book/tata-chemical-sustainability-2017/index.html

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes. We have formal process for Enterprise Risk Management. Through enterprise risk management process and SWOT (Strength Weakness Opportunity Threat) analysis, potential environmental risks are identified at business level. The identified risks are assessed. Relevant action plans are prepared for the mitigation of risks and it is periodically reviewed. The Company has also adopted ISO 140001 and is a signatory to Responsible Care which guides the Company as and when required. Aspect-Impact analysis with rating system is in place for assessing operational environmental impacts at site. Impact register is periodically reviewed for keeping it updated and for improving environmental performance. Environmental Management Plan (EMP) is in place for mitigating the environmental impacts thus reducing operational environmental risks. The Company has also initiated LCA for its major products to estimate environmental impact over its life cycle.

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?**

Yes. Clean Development Mechanism (CDM) is an integral part of the Company's strategy for carbon conscious growth of the organisation. Tata Chemicals Limited got registered 2 CDM projects in 2004 and 1 CDM project in 2005. As on date, we do not have CDM projects but now it has become an unsaid practice to assess CDM potential in each and every project and to address the same in the feasibility report of the project.

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.**

Yes. As per Tata Chemicals' strategy of Carbon conscious growth, the Company has taken various initiatives to address clean technology, renewable energy and energy efficiency, etc. Abatement levers have been identified during carbon footprint base line study which is an integral part of the Long Term Sustainability Planning (LTSP) to identify key projects in the journey of green operations. Some of the initiatives taken by the Company are as follows:

- Renewable Source of Energy
  - Solar energy to produce solar salt and in turn soda ash at Mithapur
  - Solar light and Solar water geyser at Babrala Residential Complex
  - Hot Air Generator (HAG) (Fuel shift from Furnace Oil to Biomass and Coal) at Haldia
  - 150 KW Solar PV installed at Babrala
- Natural Capital Accounting & Biodiversity Ecosystem
  - Natural Capital Accounting profile has been completed for Fertilizer business under CII-IBBI (Confederation of Indian Industry - Indian Business and Biodiversity Initiative) initiatives
  - The Company has also adopted Tata Group initiative on valuation of natural capital program for Chemicals business to pilot the protocol developed by Natural Capital Coalition.
  - Greening of Salt pans is another initiative which the Company has taken up to support the biodiversity around its chemicals business.
- Waste Management
  - Well integrated mechanism to maximize the waste utilisation within the operations
  - Emphasising to develop value added product out of waste such as developed Green Bricks out of Sulphur rich Fly ash
  - Unique set-up of Cement plant to absorb waste generated out of other plants within the Mithapur operations
- Green Packaging application
  - Reusing secondary packaging in most products to reduce Carbon Footprint
  - Piloting the use of recyclable packaging
- Organic Produce
  - Promoting Bio-fertilizer to support Organic produce
  - Neem coated Urea to promote pesticides free Agri-produce as well as to mitigate Green House Gas (GHG) emissions
- Green Supply Chain
  - Maximizing Rail transportation
  - Full load basis transportation and preference to bulker movements

Besides this, Tata Chemicals also endeavours to reduce indirect energy consumptions. Some of the initiatives are as follows:

  - Preventive and reliability centered maintenance, etc. to reduce downtime and smooth operations
  - On–Off Timer system has been implanted in all road streets light. Changed florescent bulb instead of mercury light.
  - Low voltage Variable Frequency Drives for throttled and recirculation applications.
  - Premium efficiency motors to replace rewound motors
  - Thermograph audits and actions for steam distribution network

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

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 is no pending or unresolved show cause/legal notices received from CPCB/SPCB as on end of FY 2017-18.

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.**

   Yes. The Company has a stewardship role in the chemical and fertilizer industries. It is represented in Confederation of Indian Industry (CII), Indian Chemical Council (ICC), Fertilizer Association of India (FAI), Council of European Union Chambers of Commerce, in India (EUCCI), Bombay Chamber of Commerce and Industry (BCCI), Associated Chambers of Commerce and Industry (ASSOCHAM), All India Management Association (AIMA), etc., and also member of International Fertilizer Association (IFA), American Institute of Chemical Engineers - Center for Chemical Process Safety (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 Polices, 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
   - Skill Development and skill building

   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 Company follows an integrated approach towards development programs and follows the policy of Sustainable Development, participatory approach and transparency.

   The Company's overall community development interventions have been named as BEACoN (Blossom – Enhance – Aspire – Conserve – Nurture):

   Blossom - Capacity building and empowerment of local communities through sustainable and replicable handicraft development model.

   Enhance - Enhance income of community.

   Aspire - Facilitate and empower local communities to seek functional education and skills to enable sustainable socio-economic development.

   Conserve - Maintain ecological balance and conserve natural resources through participatory approach for environmental sustainability.

   Nurture - improve the health status of community through preventive and curative measures.

   Empowerment – Empowerment is the underlying theme in all the programs. Inclusion of the socially backward population especially the women and scheduled caste & scheduled tribe population is done in all programs.

   Relief Programs

   Tata Chemicals continues its support to any disaster which hits our country.

   For further information on projects and achievements please visit www.tcsrd.org; www.okhai.org

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The Company's Corporate Social Responsibility (CSR) projects are implemented through the Tata Chemicals Society for Rural Development ('TCSRD') which was set up in 1980 to protect and nurture rural populations. Since then the Company has set up other focused organisations such as the Golden Jubilee Foundation, Uday foundation and Okhai-Centre for empowerment. We work with partners who respect and agree to our Company's core CSR values. TCSRD has always worked in partnership with government agencies, voluntary bodies and local authorities in implementing CSR initiatives. The Company has partnered with various government and non-government organisations such as Sir Ratan Tata Trust, WASMO (Water and Sanitation Management Organisation), NABARD (National Bank for Agriculture and Rural Development), American India Foundation and Wildlife Trust of India.

3. **Have you done any impact assessment of your initiative?**

   Yes. Impact of activities is measured on a regular basis by doing impact assessment, social audit by third party and by assessment as per Tata Sustainability Framework Analysis. A community satisfaction survey is carried out yearly to understand the perception of the community, reach of programs and the satisfaction level of the community.

   There are various types of annual social assessment that are being conducted for the impact of the program, community satisfaction, need identification & future planning.

   List of assessments are mentioned below:-

Sr. No.	Name of the assessment	Beneficiaries	Remark
1.	Community satisfaction Index	a) Community members b) Beneficiaries of project c) Panchayat Leaders d) Vendors	Internal & external every 3rd Year
2.	Tata Affirmative Action Program Assessment	People from Backward classes on Education, Employment, Entrepreneurship & Employability	External
3.	External assessment	Beneficiaries of the program	External assessors
4.	Social Return on investment (SROI)	Beneficiaries of the program	External assessors

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 2017-18 the overall spend on CSR is ₹ 17.47 crore.

The Company's inter-related development interventions are named as BEACoN (Blossom – Enhance – Aspire – Conserve – Nurture):

Blossom - Capacity building and empowerment of local communities through sustainable and replicable handicraft development model

Promotion and development of traditional handicrafts – Okhai

Okhai Centre for Empowerment with the objective to create livelihood opportunities for rural women artisans worked closely with 750 artisans across India. Okhai provided support to the artisans through training and market linkages. Okhai worked as a bridge between the artisans and the customers for scaling up the sale of their handicraft products by understanding customer needs, manufacturing the products with the help of the artisans and facilitating in sale through the Okhai website and its sales outlets. During the year 160 products were launched online as compared to about 50 per year in previous years. This year Okhai added new products of chikankari from Lucknow and Zardozi from Babrala. Okhai is now being recognised as an online fashion brand with over 100,000 Online followers and 10,000 Online customers.

Cluster Development

Cluster Development program strives to develop entrepreneurship qualities in rural women and guide them adeptly to engage in productive enterprises. TCSRD organised training on entrepreneurship development for all the women members of SHG clusters, so that they are equipped with entrepreneur skills and can establish their respective production unit.

At Mithapur, six clusters/group enterprise have been formed. They are Bandhani, Rexene & Leather, Bead work, Jute, Block print and Coconut Fibre products, which are also linked to Okhai for providing a marketing platform for the same.

The products being promoted in Babrala are Karzobi, incense sticks, mobile charger, solar table lamps, paper envelope, jute products and paper carry bags.

Enhance - Enhance income of community

Agriculture Development Program

TCL is promoting livelihood of farmers through its agriculture and livestock development programs. Under the agriculture development program, TCL organised training of farmers, exposure visits, field demonstration and supported with seeds and agri-equipment for enhancing the productivity. During the year, 6,000 farmers were directly benefited from various initiatives.

In Mithapur, TCSRD in partnership with Coastal Salinity Prevention Cell ('CSPC') is implementing the Okhamandal Samridh Gram Pariyojna ('OSGP') project with the objective to double the income of farmers in 4 years. During the 3rd year of the project, approximately 2,500 farmers were benefited. The farmers have been linked with mobile based agriculture support service which has helped the farmers get services as and when required and at the right time.

TCSRD has also been continuously involved in strengthening the community based organisation for ensuring the sustainability of the programs. TCSRD has formed 37 farmers groups which also include women members. TCSRD has provided training on group governance and democratic decision making process and is planning to develop a Farmer Producer Company. Four Agriculture Information Centres have been started in four villages which is helping the farmers instantly get solutions to their agriculture related problems.

In Babrala, TCL promoted cultivation of pulses, oil seeds and vegetables which has helped in enhancing income of the farmers. In Haldia, sunflower cultivation was promoted as second crop and in Sriperumbudur vegetable cultivation was promoted to be grown in the kitchen garden.

Animal Husbandry

Promotion of dairy farming: Activities in this project include OPD, FMD Vaccination, HS Vaccination, Deworming Camps and Animal Health Camps at different locations. In the financial year 2017-18, approximately 4,000 animals were examined & treated at OPDs which benefited approximately 3,500 households. During the year, approximately 35,000 cattle were vaccinated for FMD & HS in Babrala. TCL also supported cattle owners for Artificial Insemination; In Babrala, 20 new Artificial Insemination Centres were established and more than 25,000 cows and buffaloes were inseminated with high milk yielding genetic materials. In Mithapur and Haldia, TCL supported the farmers with vaccination and deworming camps.

Agri Allied Activities: In Haldia, TCL supported 238 families for fish culture and 192 households for poultry farming.

Uday Foundation

282 youths are employed by Uday at Mithapur (200 Employees) and Babrala (82 employees). Uday Foundation (Mithapur) continues to provide customer support to Tata Sky (a leading DTH service), Tata Chemicals (ChemConnect) and Ministry of External Affairs (Passport helpline). Uday Foundation (Babrala) delivers services to organisations such as Ministry of Corporate Affairs (DIN verification), National Skill Development Corporation (NSDC) and Ernst & Young (E&Y).

Infrastructure Development Support

Infrastructure development program is the key to rural development as it helps to improve rural economy and quality of life. TCSRD since its inception has given importance to this program as it is essential for the overall development of community.

Projects like construction of brick pavement track, individual toilets and school boundary wall were undertaken. At Mithapur, 1013 meter square of brick paved track, 617 meter of drainage channel and 2 cattle shed were constructed. Support was also provided to 2 primary schools and 1 ICDS center.

Aspire - Facilitate and empower local communities to seek functional education and skills to enable sustainable socio-economic development

Education

Education programs at all locations have been taken based on the need of the area with a target of zero drop-out of students at all levels of education starting from pre-primary education. The focus has been to improve quality of education in schools, provide scholarship support to meritorious students, provide basic infrastructure support to schools, imparting bridge courses and provide required coaching support to youth for their academic and professional growth.

During the reporting year, education programs like E-Library, Learning Enhancement Program (LEP), Teacher training, Scholarships, Child learning and Improvement Program, SNDT (Shreemati Nathibai Damodar Thackersey Women's University) center, Career resource center, Shala Pravesh Utsav, Adult Literacy classes, Residential Summer Camp on Spoken English and Personality Development, project for primary school children with Sir Ratan Tata Trust were implemented, benefiting more than 3,500 children across the three sites.

A separate initiative "Learning And Migration Program (LAMP)" is being carried out in seven districts of Gujarat for the migratory population. The program is run in partnership with American India Foundation which with the help of implementing NGOs is working closely with community and government schools to strengthen school governance system and quality of education.

Learning Enrichment Program ('LEP') and Learning Resource Centre ('LRC') are two important components of the LAMP program in which innovative models of teachings have been adopted for teaching. There has been improvement in learning outcomes of more than 5,000 children who participated in the LEP and LRC classes.

Vocational Skills

TCSRD is running the skill development program in Mithapur, Babrala, Haldia and Sriperumbudur to train unemployed youth and facilitate in their employment or entrepreneurship development.

The vocational skill training includes mobile repairing, computer repairing, electrical fittings, AC/refrigerator repairing, etc.

There are specially designed training for women like tailoring, beautician course and nursing. TCSRD has tied up with Construction Skill Training Institute (CSTI) (L&T) for providing industrial trainings like bar bending, masonry, electrical fittings and carpentry and with CIPET for training on Machine Operation in Plastic Processing. TCL is also supporting Tata Strive Centre for running skill development centre at Aligarh.

This year TCL introduced mobilisation meetings, pre and post training counseling and Achievement & Motivation Training (AMT) in all its training programs. The training also included component of soft skills for overall personality development and entrepreneurship development for developing entrepreneurship skills among youth. This year, TCL also partnered with Head Held High for helping the unemployed gain skills that would help them in getting a meaningful employment.

During the year, more than 2,000 youth were trained on different vocational skills which would help them get employment or start their own enterprises.

Conserve - Maintain ecological balance and conserve natural resources through participatory approach for environmental sustainability

Bio-diversity conservation program continued at Mithapur with projects like recovery of coral reef, conservation of whale shark, mangrove plantation, rejuvenating indigenous flora and fauna, biodiversity conservation and environmental education initiatives.

The whale shark project at Mithapur focuses on habitat study and research on migratory pattern and breeding biology of this fish.

During the year, 30 Whale Sharks caught accidentally in the fishing nets along the Saurashtra coast were rescued and released taking the total rescue figure since the inception of the campaign to 720. In Mithapur, Babrala and Haldia, TCL is also working with the Eco Clubs in schools to raise awareness on environment conservation.

Land development program and Water management and conservation like Mission Jal and drip irrigation were also carried out at Babrala and Mithapur. In Uttar Pradesh, 2,410 acres of land was reclaimed with the help of laser leveling and deep ploughing.

TCL continued promoting the energy efficient cook stoves in Haldia and constructed 600 units. In Mithapur, 21 solar lights have been installed on streets.

Nurture - improve the health status of community through preventive and curative measures

Health Care

Improving health of rural community is an important part of TCL overall strategy. This year, 36,784 patients were supported with counseling and treatment in Mithapur, Babrala and Haldia. Eye camps were organized at Babrala, Haldia and Mithapur to address the issue of vision problems. During the camps, 1,584 people underwent eye check-up and were provided with spectacles and 265 patients were supported for cataract operation.

Nutrition – Women & Child Health

TCL in Babrala, has been facilitating government run health program in the rural communities like Janani Suraksha Yojna especially targeting women and child health. Prime importance is given to vaccination of pregnant women, children (0-10) years and adolescent girls. To reduce Maternal and Infant Mortality Rate, Mobile Health services have been provided in 40 villages of Gunnour Tehsil. 15,243 women and children were given vaccination during the year.

TCL has started an ambitious program on malnutrition in Dharni (Amravati, Maharashtra) and Pati (Barwani, Madhya Pradesh) with the objective to decrease Infant Mortality Rate ('IMR') and

Maternal Mortality Rate ('MMR') by improving their nutritional practices and linking them with the government health department. To understand the current status, household survey was carried out along with screening of 3,500 pregnant and lactating women for hemoglobin estimation and screening of 5,373 children for Mid Upper Arm Circumference ('MUAC') and Weight. TCL has started sensitising the people for referring the severely malnourished children for treatment in the Nutritional Rehabilitation Centre. The households have been supported with seeds of vegetables and fruits for their kitchen which would help in supplementing the required nutrients to women and children. In a similar program in Haldia, TCL has been targeting the severely malnourished children and during the year 50 children were referred to Nutritional Rehabilitation Centre for treatment.

Sanitation

TCL has partnered with WASMO for undertaking drinking water and sanitation activities under CADP project. The project aims to provide drinking water facilities to the rural households of Okhamandal with the help of village institutions. During the year, 1,200 households were provided tap connection for supply of water and 415 households were supported with construction of toilets. In Babrala 49 and in Haldia 4 sanitation units were constructed.

Empowerment

TCL is reaching out to the socially backward population of the community specially the women, scheduled caste and the scheduled tribe through its empowerment program. The objective of the empowerment program is to mainstream them by including them in all the developmental programs.

Relief Programs

Tata Chemicals continues its support to any disaster, which hits our country. This year relief support was provided in flood affected areas of Gujarat.

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 engagement and partnership from all the 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 and partnership, creating a resource centre and volunteering.

The process of engagement with the community starts with identification of the key community, their needs and prioritisation. The needs are identified through various listening and learning methods, participatory rural appraisals, household survey and focused group discussion.

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 Social impact audits are conducted to assess project outcomes. The Company develops exit strategy for projects which have matured and withdraws after handing over the project to the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentages of customer complaints/consumer cases are pending as on the end of financial year?**

CNAB (Crop Nutrition & Agri Business)	–	Nil
Chemicals	–	< 0.3%
WAPU (Water Purifier)	–	< 1.0%
Consumer Products – Salt	–	Nil
Nutritional Solutions	–	Nil

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)**

Yes. 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 the Company's website and at the call centre. All packages retail/bulk contain product information including product manager's address/Customer Relationship Manager's 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. Wherever applicable specific certification requirements of regulatory authorities and some markets like ISI (Indian Standards Institute), FSSAI (Food Safety and Standards Authority of India), Halal, etc. are provided on the product labels and/or catalogues.

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.

Overall customer satisfaction for FY 2017-18 is given below.

SBU	Consumer Satisfaction (%)
Chemicals	88
Consumer Products (salt etc.)	Retailer 76 Stockist 72
Nutritional Solutions	76

Independent Auditors' Report

TO THE MEMBERS OF
TATA CHEMICALS LIMITED

Report on the Audit of Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Tata Chemicals Limited ("the Company"), which comprise the balance sheet as at 31 March, 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31 March, 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other matters

The comparative financial information of the Company for the year ended 31 March, 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements were audited by the predecessor auditor who expressed an unmodified opinion thereon as per their report dated 26 May, 2017. Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

   (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   (b) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   (c) 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;

   (d) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

   (e) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder;

   (f) on the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the board of directors, none of the directors are disqualified as on 31 March, 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

   (g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   (h) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 41 to the standalone Ind AS financial statements;

      ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 17 and 36 to the standalone Ind AS financial statements;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2018; and

      iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made since they do not pertain to the financial year ended 31 March, 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
18 May, 2018

Annexure A to the Independent Auditors' Report – 31 March, 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March, 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(b) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and we are informed that no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings as disclosed in Note 4 and Note 5 to the standalone Ind AS financial statements, are held in the name of the Company except for the following:

Land / Building	No. of cases	Leasehold / Freehold	Gross block (₹ in crore)	Net block (₹ in crore)	Remarks
Residential flats	3	Freehold	3.12	2.54	The said flats are in the process of getting registered in the name of the Company.

(ii) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act for fertilisers, cement, organic and inorganic chemicals, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Profession tax, Income-tax, Duty of customs, Duty of excise, Employees' State Insurance, Sales-tax, Service tax, Goods and Service tax, Value added tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax, Cess and other material statutory dues were in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31 March, 2018, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(₹ in crore)

Name of Act	Nature of Dues	Amount (in ₹ Crore)*	Period to which amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	23.43	2012-13 , 2015-2016	Appellate Tribunal
		0.35	1987-88 , 1992-93 , 2001-02 , 2011-12 , 2012-13	Below appellate authority
Central Excise Act, 1944	Excise Duty	0.27	1974-1980 , 1978-79 , 1982-83, 1981-85	Supreme Court
		50.31	2005-06	High Court
		27.46	1985-1986, 1986-1987, 1987-88 , 2006-07 to 2010-11	Appellate Tribunal
		3.02	1996-97, 2004-05, 2005-07, 2009-10, 2012-13	Below appellate authority
Central Sales Tax Act 1956 and Sales Tax Act of various states	Sales Tax (Central and State) and value added tax	20.00	2009-10, 2015-16	High Court
		0.89	1999-00, 2004-05, 2005-06, 2007-08 , 2007-08	Appellate Tribunal
		13.43	1991-92 to 1994-95, 1997-98, 1998-99, 1999-00, 2002-06, 2008-16	Below appellate authority
The West Bengal Tax on Entry of goods into local areas Act, 2012	Entry tax	96.48	2012-13 to 2015-16	High Court
The Finance Act, 1994 (Service Tax)	Service tax	11.67	2010-11 , 2011-12	Appellate Tribunal
Income Tax Act, 1961	Income tax	44.90	AY 2014-15	Commissioner of Income Tax (Appeals)

*net of amounts paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have any outstanding dues to financial institutions and Government.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, the Company has completed its investigation into certain instances of ethical lapses relating to previous years by certain employees, not being identified as key management personnel. Based on this investigation, the Company has determined that a fraud has been committed on the Company by such employees causing the Company to make payments for services which have not been received by the Company resulting in misappropriation of the Company's assets. The amounts involved in this case are not quantifiable. The Company applied a range of sanctions, upto and including termination of relevant individuals and strengthened the relevant internal controls. The Company identified an instance of fraud on the Company, wherein an employee, not being identified as key management personnel, altered accounting records of the Company resulting in misappropriation of the Company's assets estimated to be ₹ 34.36 crore relating to current and previous years. The Company has terminated the employment of the concerned employee and has also initiated criminal action against the employee and other beneficiaries. In our opinion and according to the information and explanations given to us, no fraud by the Company and except for the above matters, no other fraud on the Company by its officers or employees, has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by applicable Ind AS.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
18 May, 2018

Annexure B to the Independent Auditors' Report – 31 March, 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Chemicals Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
18 May, 2018

Balance Sheet as at 31 March, 2018

₹ in crore

	Note	As at 31 March, 2018	As at 31 March, 2017
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,386.75	1,449.69
(b) Capital work-in-progress		175.87	121.77
(c) Investment property	5	22.36	-
(d) Intangible assets	6	8.03	10.54
(e) Intangible assets under development		0.05	0.06
(f) Financial assets			
(i) Investments in subsidiaries and joint venture	7 (a)	4,022.30	4,017.37
(ii) Other investments	7 (b)	2,366.61	2,230.69
(iii) Loans	8	1.38	1.10
(iv) Other financial assets	9	5.13	0.64
(g) Advance tax assets (net)	22 (a)	420.63	431.25
(h) Other non-current assets	10	75.38	65.25
Total non-current assets		**8,484.49**	**8,328.36**
(2) Current assets			
(a) Inventories	11	450.66	611.53
(b) Financial assets			
(i) Trade receivables	12	140.36	1,031.69
(ii) Cash and cash equivalents	13	3,303.29	1,097.38
(iii) Bank balances other than (ii) above	13	465.63	14.70
(iv) Loans	8	0.51	0.67
(v) Other financial assets	9	71.65	48.38
(c) Other current assets	10	172.08	134.03
		4,604.18	**2,938.38**
Assets classified as held for sale and discontinued operations	23 (a)	1,085.69	1,532.62
Total current assets		**5,689.87**	**4,471.00**
Total assets		**14,174.36**	**12,799.36**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	254.82	254.82
(b) Other equity	15	11,069.32	8,600.63
Total equity		**11,324.14**	**8,855.45**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	681.07	1,087.93
(ii) Other financial liabilities	17	0.29	1.70
(b) Provisions	18	117.51	143.52
(c) Deferred tax liabilities (net)	19	172.08	138.55
(d) Other non-current liabilities	20	10.50	10.50
Total non-current liabilities		**981.45**	**1,382.20**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	0.61	522.50
(ii) Trade payables	21	425.43	511.73
(iii) Other financial liabilities	17	640.66	656.29
(b) Other current liabilities	20	32.78	72.20
(c) Provisions	18	97.19	182.84
(d) Current tax liabilities (net)	22 (b)	122.15	104.88
		1,318.82	**2,050.44**
Liabilities directly associated with discontinued operations	23 (b)	549.95	511.27
Total current liabilities		**1,868.77**	**2,561.71**
Total liabilities		**2,850.22**	**3,943.91**
Total equity and liabilities		**14,174.36**	**12,799.36**
Notes forming part of the financial statements	1-42		

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Statement of Profit and Loss for the year ended 31 March, 2018

₹ in crore

		Note	Year ended 31 March, 2018	Year ended 31 March, 2017
I.	Revenue from operations	24	3,524.17	3,837.04
II.	Other income	25	194.49	176.92
III.	**Total income (I+II)**		**3,718.66**	**4,013.96**
IV.	**Expenses**			
	a) Cost of materials consumed		531.39	479.95
	b) Purchases of stock-in-trade		218.58	448.96
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(1.97)	39.95
	d) Excise duty on sale of goods		58.16	230.24
	e) Employee benefits expense	26	258.03	266.66
	f) Finance costs	27	86.51	100.98
	g) Depreciation and amortisation expense	28	126.55	129.60
	h) Other expenses	29	1,537.82	1,513.61
	Total expenses (a to h)		**2,815.07**	**3,209.95**
V.	**Profit before tax (III - IV)**		**903.59**	**804.01**
VI.	**Tax expense**			
	(a) Current tax	30	245.60	241.71
	(b) Deferred tax	30	33.52	(16.94)
	Total tax expense (VI (a) + VI (b))		**279.12**	**224.77**
VII.	**Profit for the year from continuing operations (V-VI)**		**624.47**	**579.24**
VIII.	Profit before tax from discontinued operations	31	437.72	185.59
IX.	Exceptional gain (net)	31	1,213.99	-
X.	Tax expense of discontinued operations	31	509.22	72.12
XI.	**Profit for the year from discontinued operations (VIII+IX-X)**		**1,142.49**	**113.47**
XII.	**Profit for the year (VII+XI)**		**1,766.96**	**692.71**
XIII.	**Other comprehensive income (net of tax) (“OCI”)**			
	(A) Items that will not be reclassified to the Statement of Profit and Loss			
	- Changes in fair value of investments in equities carried at fair value through OCI		1,019.25	410.68
	- Remeasurement of defined employee benefit plans (note 34)		32.92	(49.74)
	(B) Income tax relating to items that will not be reclassified to the Statement of Profit and Loss		(20.59)	17.22
	Total other comprehensive income (net of tax) (A-B)		**1,031.58**	**378.16**
XIV.	**Total comprehensive income for the year (XII + XIII)**		**2,798.54**	**1,070.87**
XV.	**Earnings per share for continuing operations (in ₹)**			
	- Basic and Diluted	32	24.51	22.74
XVI.	**Earnings per share for discontinued operations (in ₹)**			
	- Basic and Diluted	32	44.85	4.45
XVII.	**Earnings per share (for continuing and discontinued operations) (in ₹)**			
	- Basic and Diluted	32	69.36	27.19
	Notes forming part of the financial statements	1-42		

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Statement of Changes in Equity for the year ended 31 March, 2018

a. Equity share capital (note 14)

Particulars	₹ in crore
Balance as at 31 March, 2018	254.82
Balance as at 31 March, 2017	254.82

b. Other equity (note 15)

₹ in crore

Particulars	Reserves and surplus						Items of other comprehensive income	Total
	Capital reserve and other reserves from amalgamation	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings *	Equity instruments through other comprehensive income	
Balance as at 1 April, 2016	**21.11**	**1,258.21**	**0.10**	**240.00**	**1,171.94**	**3,714.09**	**1,425.98**	**7,831.43**
Profit for the year	-	-	-	-	-	692.71	-	692.71
Other comprehensive income (net of tax)	-	-	-	-	-	(32.52)	410.68	378.16
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**660.19**	**410.68**	**1,070.87**
Dividends including tax on dividend	-	-	-	-	-	(301.67)	-	(301.67)
Balance as at 31 March, 2017	**21.11**	**1,258.21**	**0.10**	**240.00**	**1,171.94**	**4,072.61**	**1,836.66**	**8,600.63**
Profit for the year	-	-	-	-	-	1,766.96	-	1,766.96
Other comprehensive income (net of tax)	-	-	-	-	-	21.42	1,010.16	1,031.58
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,788.38**	**1,010.16**	**2,798.54**
Dividends including tax on dividend	-	-	-	-	-	(329.85)	-	(329.85)
Transfer to retained earnings - sale of non-current investment	-	-	-	-	-	903.98	(903.98)	-
Balance as at 31 March, 2018	**21.11**	**1,258.21**	**0.10**	**240.00**	**1,171.94**	**6,435.12**	**1,942.84**	**11,069.32**

* including remeasurement of defined employee benefit plans

Notes forming part of the financial statements - (note 1-42)

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W - 100022

Vijay Mathur

Partner

Membership No. 046476

Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer

Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board

Bhaskar Bhat Director

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Vibha Paul Rishi Director

S. Padmanabhan Director

Padmini Khare Kaicker Director

R. Mukundan Managing Director and CEO

Zarir Langrana Executive Director

Statement of Cash Flows for the year ended 31 March, 2018

₹ in crore

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A	**Cash flows from operating activities**		
	Profit before tax from continuing operations	903.59	804.01
	Profit before tax from discontinued operation	1,651.71	185.59
		2,555.30	**989.60**
	Adjustments for :		
	Depreciation and amortisation expense	139.13	169.88
	Impairment of assets (note 31)	65.40	-
	Finance costs	149.92	276.66
	Interest income	(14.11)	(3.01)
	Dividend income	(101.98)	(105.32)
	Profit on sale of discontinued operation (note 31)	(1,279.39)	-
	Net gain on sale of current investments	(49.54)	(2.30)
	Provision for employee benefits expense	(2.74)	28.06
	Provision for doubtful debts and advances/bad debts written off/(back)	46.15	(1.18)
	Provision for contingencies	10.23	17.96
	Liabilities no longer required written back	(19.17)	(6.19)
	Realised foreign exchange loss due to financing activities	3.87	69.41
	Unrealised foreign exchange (gain)/loss (net)	(0.31)	1.36
	Loss on assets sold or discarded (net)	7.38	2.15
	Operating profit before working capital changes	**1,510.14**	**1,437.08**
	Adjustments for :		
	Trade receivables, other financial assets and other assets	(74.28)	981.19
	Inventories	110.24	356.89
	Trade payables, other financial liabilities and other liabilities	37.79	(72.26)
	Cash generated from operations	**1,583.89**	**2,702.90**
	Taxes paid (net of refund)	(747.51)	(309.49)
	Net cash generated from operating activities	**836.38**	**2,393.41**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment (including capital work-in-progress)	(328.74)	(264.81)
	Acquisition of intangible assets (including intangible asset under development)	(1.16)	(2.42)
	Proceeds from sale of property, plant and equipment	12.56	1.62
	Proceeds from sale of other non-current investments	920.07	5.19
	Proceeds from sale of current investments	14,708.51	10,669.18
	Purchase of non-current investments	(36.77)	(0.50)
	Purchase of current investments	(14,658.98)	(10,669.18)
	Investment in subsidiary	(0.05)	-
	Bank balances not considered as cash and cash equivalent	(450.00)	-
	Proceeds from sale of discontinued operations (net) (note 31)	2,593.98	-
	Interest received	4.62	3.96
	Dividend received		
	- From subsidiaries	36.50	24.34
	- From joint venture	9.82	21.02
	- From others	55.66	59.96
	Net cash from/(used in) in investing activities	**2,866.02**	**(151.64)**

Statement of Cash Flows for the year ended 31 March, 2018

₹ in crore

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
C	**Cash flows from financing activities**		
	Proceeds from borrowings	878.24	2,623.47
	Repayment of borrowings	(1,872.96)	(3,763.19)
	Repayment towards finance lease (net)	(17.40)	(20.19)
	Finance costs paid	(153.54)	(269.46)
	Bank balances in dividend and restricted account	(0.93)	(0.94)
	Dividends paid including distribution tax	(328.94)	(300.72)
	Net cash used in financing activities	**(1,495.53)**	**(1,731.03)**
	Net increase in cash and cash equivalents	**2,206.87**	**510.74**
	Cash and cash equivalents as at 1 April	1,097.38	586.72
	Movement in cash and cash equivalents pertaining to discontinued operations	(0.96)	(0.08)
	Cash and cash equivalents as at 31 March (note 13)	**3,303.29**	**1,097.38**

Footnote:

Reconciliation of borrowings

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Non-current borrowings (note 16)	681.07	1,087.93
Current borrowings (note 16)	0.61	522.50
Current maturities of non-current borrowings (note17)	410.23	406.81
Current maturities of finance lease obligation (note 17)	5.22	23.38
Borrowings relating to discontinued operations (note 31)	310.08	370.70
Assets/(liabilities) held to hedge non-current borrowings (net)	(12.88)	(5.35)
	1,394.33	**2,405.97**
Proceeds of borrowings	878.24	2,623.47
Repayment of borrowings	(1,872.96)	(3,763.19)
Repayment towards finance lease (net)	(17.40)	(20.19)
Realised foreign exchange loss due to financing activities (net)	3.87	69.41
Fair value changes (net)	(7.53)	96.70
Unrealised foreign exchange gain/(loss) (net)	4.14	(21.90)
Movement of borrowings (net)	**(1,011.64)**	**(1,015.70)**
Notes forming part of the financial statements - (note 1-42)		

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

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Zarir Langrana Executive Director

Notes forming part of the financial statements

1. **Corporate information**

Tata Chemicals Limited (the 'Company') is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India; the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company is a diversified business dealing in inorganic chemicals, fertilisers, other agri inputs, consumer and nutritional solutions business sectors. The Company has a global presence with key subsidiaries in United States of America ('USA'), United Kingdom ('UK') and Kenya that are engaged in the manufacture and sale of soda ash, industrial salt and related products.

2. **Summary of basis of compliance, basis of preparation and presentation, critical accounting estimates, assumptions and judgements and significant accounting policies**

2.1 Basis of compliance

The financial statements comply, in all material aspects, with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

The Company's opening Balance Sheet was prepared as at 1 April, 2015 ('Transition Date'), the Company's date of transition to Ind-AS.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

2.3.1 Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

2.3.2 Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

2.3.3 Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.4 Provisions and contingencies

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.4 Foreign currency translation

The functional currency of Tata Chemicals Limited (i.e. the currency of the primary economic environment in which the Company operates) is the Indian Rupee (₹).

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss.

2.5 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of asset.

All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE (except leasehold improvements and PPE acquired under finance lease) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements and PPE acquired under finance lease are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated.

Schedule II to the Companies Act, 2013 prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of fixed assets are as given below:

Asset	Useful life
Salt Works, Water Works, Reservoirs and Pans	1-30 years
Plant and Machinery	1-60 years
Traction Lines and Railway Sidings	15 years
Factory Buildings	5-60 years
Other Buildings	5-60 years
Furniture and Fittings and Office Equipment (including Computers and Data Processing Equipment)	1-10 years
Vehicles	4-10 years

Useful lives and residual values of assets are reviewed at the end of each reporting period.

Losses arising from the retirement of, and gains or losses arising from disposal/adjustments of PPE are recognised in the Statement of Profit and Loss.

2.6 Intangible assets

Intangible assets generally comprise software licenses and rights to use railway wagon.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of Intangibles are as given below:

Asset	Useful life
Computer software	5 years
Rights to use railway wagon	20 years

The estimated useful life is reviewed annually by the management.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.7 Capital work-in-progress ('CWIP') and intangible assets under development

Projects under commissioning and other CWIP/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably.

2.8 Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note 2.5 above. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

2.9 Research and development expenses

Research expenses are charged to the Statement of Profit and Loss as expenses in the year in which they are incurred. Development costs are capitalised as an intangible asset under development when the following criteria are met:

- the project is clearly defined, and the costs are separately identified and reliably measured;
- the technical feasibility of the project is demonstrated;
- the ability to use or sell the products created during the project is demonstrated;
- the intention to complete the project exists and use or sale of output manufactured during the project;
- a potential market for the products created during the project exists or their usefulness, in case of internal use, is demonstrated, such that the project will generate probable future economic benefits; and
- adequate resources are available to complete the project.

These development costs are amortised over the estimated useful life of the projects or the products they are incorporated within. The amortisation of capitalised development costs begins as soon as the related product is released to production.

2.10 Non-current assets held for sale and discontinued operations

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

2.11 Financial instruments

2.11.1 Investments and other financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or through OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. The Company has elected to consider the carrying cost of equity investments in subsidiaries and joint venture at cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

Measurement

At initial recognition, the Company measures a financial asset at its fair value (other than financial asset at fair value through profit or loss). Transaction costs that are directly attributable to the acquisition of the financial assets are added to the fair value measured on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

- **Fair value through other comprehensive income ('FVTOCI')**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are recorded through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss. Interest income from these financial assets is included in other income using the EIR method.

- **Fair value through profit or loss ('FVTPL')**

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL (unhedged) is recognised net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to equity. Dividends from such investments are recognised in the Statement of Profit and Loss within other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Derecognition of financial assets

A financial asset is derecognised only when the Company

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has transferred substantially all risks and rewards of ownership, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.11.2 Debt and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.11.3 Financial liabilities

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Presentation

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.11.4 Derivatives and hedging activities

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations associated with borrowings (cash flow hedges). When the Company opts to undertake hedge accounting, the Company documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Statement of Profit and Loss on settlement. When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Statement of Profit and Loss as the hedged item affects profit or loss.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the Statement of Profit and Loss.

Derivatives that are not designated as hedges

When derivative contracts to hedge risks are not designated as hedges, such contracts are accounted through FVTPL.

As at the year end, there were no designated accounting hedges.

The entire fair value of a hedging derivative is classified as a noncurrent asset or liability when the remaining maturity of the hedged item exceeds 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item does not exceed 12 months.

2.11.5 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and are subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

2.11.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.11.7 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

2.12 Impairment

Financial assets (other than at fair value)

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables.

PPE, CWIP and intangible assets

The carrying values of assets / cash generating units ('CGU') at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / CGU is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss. The recoverable amount is the higher 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. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, consequent to which such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.13 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 other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes and duties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Revenue recognition

2.14.1 Sale of goods

Revenue from the sale of goods is recognised at the fair value of the consideration received or receivable, net of returns, including estimated returns where applicable, and trade discounts, rebates and related taxes, when all significant risks and rewards of ownership of the goods have been passed to the buyer, either on despatch or delivery of goods, based on the contracts.

In respect of Urea, sales are recognised based on concession rates as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by Management based on the norms prescribed or notified under the said Scheme. In case of Complex Fertilisers, sales include price concessions, as notified under the Nutrient Based Subsidy policy, or as estimated by the Management based on the norms prescribed.

2.14.2 Interest income

For all debt instruments measured either at amortised cost or at FVTOCI, interest income is recorded using the EIR method.

2.14.3 Dividend income

Dividend income is accounted for when Company's right to receive the income is established.

2.14.4 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.

2.15 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

Finance Leases:

Lease arrangements in which substantially all risks and rewards of ownership of the under-lying assets are transferred to the Company, are classified as finance lease.

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating leases:

The leases which are not classified as finance lease are operating leases.

Lease arrangements where the risks and rewards of 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 over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.16 Employee benefits plans

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.

2.16.1 Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

Contributions to a Provident Fund are made to Tata Chemicals Limited Employees' Provident Fund Trust, administered by the Company, and are charged to the Statement of Profit and Loss as incurred. The Trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

For defined benefit schemes in the form of gratuity fund, post-retirement medical benefits, pension liabilities (including directors') and family benefit scheme, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income/(expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income/(expense) on the net defined benefit liability is recognised in the Statement of Profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

2.16.2 Short-term employee benefits

The 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 which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating 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.

2.16.3 Other 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. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the Statement of Profit and Loss.

2.17 Employee separation compensation

Compensation paid/payable to employees who have opted for retirement under a Voluntary Retirement Scheme including ex-gratia is charged to the Statement of Profit and Loss in the year of separation.

2.18 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.19 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 and subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance sheet and transferred to the Statement of Profit and Loss on systematic and rational basis over the useful lives of the related asset.

2.20 Segment reporting

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 Managing Director and Chief Executive Officer (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity 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 a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

2.21 Income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

Deferred tax assets include a credit for the Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT asset is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

2.22 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 of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.23 Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3. Recent accounting pronouncements and business combination

3.1 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April, 2018. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Ind AS 115- Revenue from contracts with customers:

On 28 March, 2018, Ministry of Corporate Affairs ('MCA') has notified the Ind AS 115, Revenue from contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April, 2018. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

3.2 Business combination

Subsequent to balance sheet date, the Company has signed a Business Transfer Agreement with M/s. Allied Silica Limited to acquire their business of precipated silica, on a slump sale basis for a consideration of ₹ 123 crore (subject to fulfilment of certain agreed conditions and milestones). The effect of the transfer will be reflected in the financial information of the period in which the deal is consummated post fulfilment of agreed conditions.

4. Property, plant and equipment

₹ in crore

Particulars	Freehold Land	Factory Buildings	Other Buildings *	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Salt works, Water works, Reservoirs and Pans	Traction Lines and Railway Sidings	Total
Gross Block										
Balance as at 1 April, 2016	37.73	200.15	240.51	1,517.41	15.62	5.37	47.42	24.88	15.29	2,104.38
Additions/adjustments	4.43	12.22	1.86	207.33	1.13	1.06	8.36	6.13	0.68	243.20
Disposals	-	(0.43)	(0.63)	(22.43)	(0.22)	(0.36)	(0.92)	(0.05)	(0.11)	(25.15)
Transferred to discontinued operations (note 23 and 31)	(0.75)	(47.86)	(93.42)	(431.59)	(1.77)	(0.43)	(8.41)	-	(2.45)	(586.68)
Balance as at 31 March, 2017	**41.41**	**164.08**	**148.32**	**1,270.72**	**14.76**	**5.64**	**46.45**	**30.96**	**13.41**	**1,735.75**
Additions/adjustments	-	20.48	16.42	191.87	3.45	2.82	2.36	5.52	-	242.92
Disposals	-	(2.15)	(0.85)	(3.98)	(0.64)	(0.49)	(1.65)	-	-	(9.76)
Transferred to Investment property	(1.13)	-	(23.15)	-	-	-	-	-	-	(24.28)
Transferred to discontinued operations (note 23 and 31)	-	(38.27)	(1.03)	(149.48)	(0.80)	(0.15)	(4.32)	-	(4.73)	(198.78)
Balance as at 31 March, 2018	**40.28**	**144.14**	**139.71**	**1,309.13**	**16.77**	**7.82**	**42.84**	**36.48**	**8.68**	**1,745.85**
Accumulated Depreciation										
Balance as at 1 April, 2016	-	12.67	9.63	151.42	2.21	1.33	13.19	5.98	1.25	197.68
Depreciation for the year	-	9.85	7.43	129.50	1.98	1.36	12.49	4.03	1.17	167.81
Disposals	-	(0.18)	(0.59)	(19.62)	(0.15)	(0.32)	(0.45)	-	(0.07)	(21.38)
Transferred to discontinued operations (note 23 and 31)	-	(5.89)	(2.54)	(46.70)	(0.18)	-	(2.56)	-	(0.18)	(58.05)
Balance as at 31 March, 2017	**-**	**16.45**	**13.93**	**214.60**	**3.86**	**2.37**	**22.67**	**10.01**	**2.17**	**286.06**
Depreciation for the year	-	7.95	5.97	106.48	1.98	1.37	9.68	2.67	0.95	137.05
Impairment	-	15.10	0.44	47.06	0.18	0.06	0.83	-	1.72	65.39
Disposals	-	(0.31)	(0.09)	(1.02)	(0.47)	(0.27)	(0.94)	-	-	(3.10)
Transferred to Investment property	-	-	(1.92)	-	-	-	-	-	-	(1.92)
Transferred to discontinued operations (note 23 and 31)	-	(21.11)	(0.52)	(96.65)	(0.55)	(0.08)	(2.69)	-	(2.78)	(124.38)
Balance as at 31 March, 2018	**-**	**18.08**	**17.81**	**270.47**	**5.00**	**3.45**	**29.55**	**12.68**	**2.06**	**359.10**
Net Block as at 31 March, 2017	**41.41**	**147.63**	**134.39**	**1,056.12**	**10.90**	**3.27**	**23.78**	**20.95**	**11.24**	**1,449.69**
Net Block as at 31 March, 2018	**40.28**	**126.06**	**121.90**	**1,038.66**	**11.77**	**4.37**	**13.29**	**23.80**	**6.62**	**1,386.75**

* Other Buildings includes cost of residential flats aggregating ₹ 3.17 crore (2017 : ₹ 1.82 crore) for which legal formalities relating to transfer of title are pending.

5. Investment property

₹ in crore

Particulars	Land	Building	Total
Gross Block			
Balance as at 31 March, 2017	-	-	-
Transferred from property, plant and equipment	1.13	23.15	24.28
Balance as at 31 March, 2018	**1.13**	**23.15**	**24.28**
Accumulated amortisation			
Balance as at 31 March, 2017	-	-	-
Transferred from property, plant and equipment	-	1.92	1.92
Balance as at 31 March, 2018	**-**	**1.92**	**1.92**
Net Block as at 31 March, 2017	**-**	**-**	**-**
Net Block as at 31 March, 2018	**1.13**	**21.23**	**22.36**

Footnotes:

a) As at 31 March, 2018, the Company has classified above properties as investment property and is in process of assessment of fair value of the above investment property.

b) The Company has not earned any material rental income on the above properties after its classification as investment property during the year.

6. Intangible assets

₹ in crore

Particulars	Computer software	Others *	Total
Gross Block			
Balance as at 1 April, 2016	4.57	6.78	11.35
Additions	2.63	-	2.63
Disposals	(0.21)	-	(0.21)
Transferred to discontinued operations (note 23 and 31)	(1.18)	-	(1.18)
Balance as at 31 March, 2017	**5.81**	**6.78**	**12.59**
Additions	1.17	-	1.17
Disposals/Adjustments	(1.61)	-	(1.61)
Transferred to discontinued operations (note 23 and 31)	(0.04)	-	(0.04)
Balance as at 31 March, 2018	**5.33**	**6.78**	**12.11**
Accumulated amortisation			
Balance as at 1 April, 2016	0.21	0.76	0.97
Amortisation for the year	1.31	0.76	2.07
Disposals	-	-	-
Transferred to discontinued operations (note 23 and 31)	(0.99)	-	(0.99)
Balance as at 31 March, 2017	**0.53**	**1.52**	**2.05**
Amortisation for the year	1.32	0.76	2.08
Impairment	0.01	-	0.01
Disposals	(0.04)	-	(0.04)
Transferred to discontinued operations (note 23 and 31)	(0.02)	-	(0.02)
Balance as at 31 March, 2018	**1.80**	**2.28**	**4.08**
Net Block as at 31 March, 2017	**5.28**	**5.26**	**10.54**
Net Block as at 31 March, 2018	**3.53**	**4.50**	**8.03**

* Others include rights to use the wagon provided by the Ministry of Railways to carry goods at concessional freight.

7. Investments

Particulars	As at 31 March, 2018 Holdings No. of shares	As at 31 March, 2018 Amount ₹ in crore	As at 31 March, 2017 Holdings No. of shares	As at 31 March, 2017 Amount ₹ in crore
(a) Investments in equity instruments in subsidiaries and joint venture (fully paid up)				
(i) Subsidiaries (at cost)				
Quoted				
Rallis India Ltd.	9,73,41,610	479.97	9,73,41,610	479.97
Unquoted				
Bio Energy Ventures -1 (Mauritius) Pvt. Ltd. (footnote 'i')	57,53,81,426	2,398.39	57,53,81,426	2,398.39
Ncourage Social Enterprise Foundation	50,000	0.05	-	-
(ii) Investments in preference shares (fully paid up)				
Subsidiaries (Fair value through profit and loss)				
Unquoted				
5% Non-Cumulative Redeemable Preference Shares of Bio Energy Venture -1 (Mauritius) Pvt. Ltd (footnote 'i')	15,00,014	977.63	15,00,014	972.75
(iii) Joint venture (at cost)				
Unquoted				
Indo Maroc Phosphore, S.A. , Morocco	2,06,666	166.26	2,06,666	166.26
Total investments (i+ii+iii)		**4,022.30**	-	**4,017.37**
(b) Other investments				
(i) Investments in equity instruments (Fair value through other comprehensive income)				
Quoted				
The Indian Hotels Co. Ltd.	1,06,89,348	138.32	89,07,790	113.04
Oriental Hotels Ltd.	25,23,000	10.53	25,23,000	8.96
Tata Investment Corporation Ltd.	4,75,840	35.01	4,75,840	30.27
Tata Steel Ltd.	28,90,693	165.07	24,91,977	120.29
Tata Steel Ltd. (Partly Paid)	1,99,358	2.80	-	-
Tata Motors Ltd.	19,66,294	64.27	19,66,294	91.60
Tata Global Beverages Ltd.	-	-	4,31,75,140	650.00
Titan Company Ltd.	1,38,26,180	1,302.84	1,38,26,180	639.81
Unquoted				
The Associated Building Co. Ltd.	550	0.02	550	0.02
Taj Air Ltd.	40,00,000	-	40,00,000	-
Tata Industries Ltd.	98,61,303	170.19	98,61,303	170.19
Tata Capital Ltd.	32,30,859	16.15	32,30,859	10.79
Tata International Ltd.	48,000	137.76	48,000	124.80
Tata Projects Ltd.	1,93,500	264.48	1,93,500	210.24
Tata Services Ltd.	1,260	0.13	1,260	0.13
Tata Sons Ltd.	10,237	56.86	10,237	56.86
Tata Teleservices Ltd. (footnote 'ii')	12,85,110	-	12,85,110	1.51
IFCI Venture Capital Funds Ltd.	2,50,000	0.67	2,50,000	0.67
Kowa Spinning Ltd.	60,000	*	60,000	*
Global Innovation And Technology Alliance (GITA)	15,000	1.50	15,000	1.50
Water Quality India Association	7,100	0.01	7,100	0.01
Total investments (b(i))		**2,366.61**		**2,230.69**
Aggregate amount of quoted investments		2,198.81		2,133.94
Aggregate market value of quoted investments		4,021.46		4,182.42
Aggregate carrying value of unquoted investments		4,190.10		4,114.12
Aggregate amount of impairment in value of Investments		1.51		-

Footnotes:

i. During the year ended 31 March, 2018, the Board of Directors of the Company has approved the Scheme of Amalgamation ("Scheme") under the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 for the merger of Bio Energy Venture 1 (Mauritius) Pvt. Ltd., a wholly owned subsidiary of the Company, with the Company, subject to necessary statutory and regulatory approvals, including approval of the National Company Law Tribunal. The Scheme is in process of being filed.

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

* value below ₹ 50,000/-

8. Loans

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-Current		
(a) Other loans (Unsecured, considered good)		
Loans to employees (footnote 'i')	1.38	1.10
	1.38	**1.10**
Current		
(a) Other loans (Unsecured, considered good)		
Loans to employees (footnote 'i')	0.51	0.67
	0.51	**0.67**

Footnote:

(i) Loans to employees includes ₹ Nil (2017: ₹ *) due from officer of the Company. Maximum balance outstanding during the year is ₹ * (2017: ₹ *).

* value below ₹ 50,000.

9. Other financial assets

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-Current		
(a) Fixed deposits	0.26	0.26
(b) Derivatives (note 36)	4.87	0.38
	5.13	**0.64**
Current		
(a) Claim receivable - Related party (note 39)	34.97	37.86
(b) Derivatives (note 36)	8.85	6.32
(c) Accrued interest income	10.02	0.54
(d) Advance recoverable - Related party	16.24	1.20
(e) Others	1.57	2.46
	71.65	**48.38**

10. Other assets

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-Current		
(a) Capital advances	30.13	22.24
(b) Deposit with public bodies and others	36.57	39.65
(c) Prepaid expenses	1.61	3.05
(d) Gratuity fund	7.07	-
(e) Others	-	0.31
	75.38	**65.25**
Current		
(a) Prepaid expenses	9.33	10.65
(b) Advance to suppliers	30.12	65.71
Less: Allowances for bad and doubtful advances	(0.01)	(0.46)
	30.11	**65.25**
(c) Statutory receivables	130.84	57.69
(d) Others	1.80	0.44
	172.08	**134.03**

11. Inventories

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Raw materials	239.27	321.77
(b) Work-in-progress	28.94	23.78
(c) Finished goods	77.10	72.28
(d) Stock in trade	40.66	107.25
(e) Stores, spare parts and packing materials	64.69	86.45
	450.66	**611.53**

Footnotes:

(i) Inventories include goods in transit:

- Raw materials	55.82	77.97
- Stock in trade	7.09	5.23
- Stores and spare parts and packing materials	1.75	0.40

(ii) The cost of inventories recognised as an expense in the form of raw material consumption, change in inventory, stores consumption, trading purchases, packing materials consumption and power and fuel consumption during the year in respect of the continuing operations was ₹ 1,490.85 crore (2017: ₹ 1,632.66 crore)

(iii) The cost of inventories recognised as an expense includes ₹ 7.67 crore (2017: ₹ 35.47 crore) in respect of write-down of inventories to net realisable value, and has been reduced by ₹ 4.17 crore (2017: ₹ 2.55 crore) in respect of reversal of such write-down. Reversal of previous write-downs have been largely as a result of increased selling prices of certain products.

(iv) Inventories have been offered as security against the working capital facilities provided by the bank.

12. Trade receivables

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Current		
(a) Secured, considered good	37.75	39.91
(b) Unsecured, considered good	102.61	991.78
(c) Unsecured, considered doubtful	14.87	42.60
Less: Allowance for doubtful trade receivables	(14.87)	(42.60)
	140.36	**1,031.69**

Footnotes:

(i) Trade receivables include ₹ Nil (2017: ₹ 870.98 crore) on account of subsidy receivable from the Government. Subsidy receivable that relates to Phosphatic Fertiliser business and Trading business are reflected in note 31.

(ii) Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality; credit limits scoring attributed to customers are reviewed periodically by Management.

(iii) Movement in allowance for doubtful trade receivables.

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	**42.60**	**45.94**
Allowance for doubtful debts pertaining to discontinued operations	(31.33)	(0.05)
Provision during the year	6.55	71.33
Reversal during the year	(2.95)	(74.62)
Balance at the end of the year	**14.87**	**42.60**

(iv) Trade receivables have been offered as security against the working capital facilities provided by the bank.

13. Cash and cash equivalents

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(a)	Balance with banks	78.27	79.73
(b)	Cheques on hand	-	37.51
(c)	Cash on hand	0.02	0.14
(d)	Deposits accounts (with original maturity less than 3 months)	3,225.00	980.00
Cash and cash equivalents as per Statement of Cash Flow		**3,303.29**	**1,097.38**
Other bank balances:			
(a)	Earmarked balances with banks	15.63	14.70
(b)	Deposit accounts (other than (d) above, with original maturity less than 12 months from the balance sheet date)	450.00	-
		465.63	**14.70**

Footnote:

(i) Non-cash transactions

The Company has not entered into any non cash investing and financing activities.

14. Equity share capital

		As at 31 March, 2018		As at 31 March, 2017	
		No. of Shares	₹ in crore	No. of Shares	₹ in crore
(a)	**Authorised:**				
	Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
(b)	**Issued :**				
	Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
(c)	**Subscribed and fully paid up:**				
	Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
(d)	**Forfeited shares:**				
	Amount originally paid-up on forfeited shares	86,320	0.06	86,320	0.06
			254.82		**254.82**

Footnotes:

(i) The movement in number of shares and amount outstanding at the beginning and at the year end

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Issued share capital:				
Ordinary shares :				
Balance as at 1 April	25,48,42,598	254.84	25,48,42,598	254.84
Balance as at 31 March	**25,48,42,598**	**254.84**	**25,48,42,598**	**254.84**
Subscribed and paid up:				
Ordinary shares :				
Balance as at 1 April	25,47,56,278	254.76	25,47,56,278	254.76
Balance as at 31 March	**25,47,56,278**	**254.76**	**25,47,56,278**	**254.76**

(ii) Terms/ rights attached to equity shares

The Company has issued one class of ordinary shares at par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% shares.

Particulars	As at 31 March, 2018		As at 31 March, 2017	
Ordinary shares with voting rights	**No. of shares**	**%**	**No. of shares**	**%**
(i) Tata Sons Ltd.	5,97,86,423	23.47	4,93,06,423	19.35
(ii) ICICI Prudential Mutual fund	1,54,19,534	6.05	1,80,53,193	7.09
(iii) Tata Investment Corporation Ltd.	1,52,00,001	5.97	1,52,00,001	5.97
(iv) HDFC Trustee Company Limited	1,38,30,156	5.43	*	*

* Not holding more than 5% shares

15. Other equity

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
1	Capital reserve and other reserves from amalgamation	21.11	21.11
2	Securities premium reserve	1,258.21	1,258.21
3	Capital redemption reserve	0.10	0.10
4	Debenture redemption reserve	240.00	240.00
5	General reserve	1,171.94	1,171.94
6	Retained earnings	6,435.12	4,072.61
7	Equity instruments through other comprehensive income	1,942.84	1,836.66
	Total other equity	**11,069.32**	**8,600.63**

The movement in other equity

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
15.1	**Capital reserve and other reserves from amalgamation**		
	Balance at the beginning of the year	21.11	21.11
	Balance at the end of the year	**21.11**	**21.11**
15.2	**Securities premium reserve**		
	Balance at the beginning of the year	1,258.21	1,258.21
	Balance at the end of the year	**1,258.21**	**1,258.21**
	Footnote: Securities premium reserve is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.		
15.3	**Capital redemption reserve**		
	Balance at the beginning of the year	0.10	0.10
	Balance at the end of the year	**0.10**	**0.10**
15.4	**Debenture redemption reserve**		
	Balance at the beginning of the year	240.00	240.00
	Balance at the end of the year	**240.00**	**240.00**
	Footnote: The Company is required to create a debenture redemption reserve out of the profits which is available for the purpose of redemption of debentures.		
15.5	**General reserve**		
	Balance at the beginning of the year	1,171.94	1,171.94
	Balance at the end of the year	**1,171.94**	**1,171.94**
	Footnote: The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.		

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
15.6 Retained earnings		
Balance at the beginning of the year	4,072.61	3,714.09
Profit for the year	1,766.96	692.71
Remeasurement of defined employee benefit plans (net of tax)	21.42	(32.52)
Dividend including tax on dividend	(329.85)	(301.67)
Transfer from Equity instruments through other comprehensive income	903.98	-
Balance at the end of the year (footnote 'ii')	**6,435.12**	**4,072.61**

Footnotes:

(i) The Board of Directors has recommended a dividend of 110% (2017: 110%) for the financial year 2017-18 and a special dividend of 110% to reflect the disposal of the Fertiliser Business, aggregating to ₹ 22 per share (2017: ₹ 11 per share).

(ii) Includes balance of remeasurement of net defined benefit plans loss of ₹ 23.60 crore (2017: ₹ 49.09 crore).

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
15.7 Equity instruments through other comprehensive income		
Balance at the beginning of the year	1,836.66	1,425.98
Changes in fair value of equity instruments at FVTOCI (net of tax)	1,010.16	410.68
Transfer to retained earnings	(903.98)	-
Balance at the end of the year	**1,942.84**	**1,836.66**

Footnote:

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

16. Borrowings

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-Current		
Secured - at amortised cost		
(a) Obligations under finance leases (note 33)	18.23	18.99
Unsecured - at amortised cost		
(a) Non-convertible debentures (footnote 'i')	250.00	250.00
(b) Term loans - bank (footnote 'ii')	413.60	821.84
Less: Unamortised finance cost	0.76	2.90
	412.84	**818.94**
	681.07	**1,087.93**

Footnotes:

(i) Unsecured redeemable Non-convertible debentures having face value of ₹ 10 lakhs each are redeemable at par on 2 July, 2019 and bear interest rate of 10% per annum.

(ii) The External Commercial Borrowings ('ECB') are due for repayments on 21 October, 2019 ₹ 413.60 crore (2017: ₹ 411.54 crore) (USD 63.46 million) and bear interest of LIBOR plus spread of 1.95%, payable semiannually.

Current portion due for repayment within one year is ₹ 412.36 crore (2017: ₹ 410.31 crore) (USD 63.27 million). This has been disclosed in note 17 within the heading current maturity of non-current borrowings under other financial liabilities (current).

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Current		
Loans repayable on demand		
Secured - from banks		
(a) Cash/packing credit (footnote 'i')	0.61	2.81
(b) Supplier's credit (footnote 'ii')	-	110.00
(c) Loan against subsidy receivable (footnote 'iii')	-	85.96
Unsecured - from banks		
(a) Working capital demand loan (footnote 'iv')	-	50.00
(b) Supplier's credit (footnote 'ii')	-	273.73
	0.61	**522.50**

Footnotes:

(i) Loans from banks on Cash Credit carry an interest ranging from 8.30% p.a. to 9.00% p.a. and are secured by way of hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.

(ii) During the previous year ended 31 March, 2017, Supplier's credit due for payment within 180 days bears interest of 'LIBOR plus spread' of 1.31% per annum secured against current assets.

(iii) During the previous year ended 31 March, 2017, 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 the State Bank of India Consortium (SBI Consortium). Loans under this scheme are secured by hypothecation of subsidy receivables. Fixed interest rate of 8.00% per annum out of which 6.25% per annum shall be borne by the government and repaid in April 2017. The remaining 1.75% per annum shall be borne by the Company and will be recovered upfront for 60 days from the company at the time of disbursement of the facility.

(iv) During the previous year ended 31 March, 2017, unsecured working capital demand loan of ₹ 50 crore was availed by the Company repayable in May 2017. The loan bears interest of one month T-bill plus 0.05% per annum.

17. Other financial liabilities

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
Non-Current			
(a)	Derivatives (note 36)	-	1.35
(b)	Pension payable on employee separation scheme	0.29	0.35
		0.29	**1.70**
Current			
(a)	Current maturities of non-curent borrowings (note 16 (footnote 'ii'))	412.36	410.31
	Less: Unamortised cost of borrowings	2.13	3.50
		410.23	**406.81**
(b)	Current maturities of finance lease obligations (note 33)	5.22	23.38
(c)	Interest accrued	31.47	37.30
(d)	Creditors for capital goods	36.77	32.89
(e)	Unclaimed dividend (footnote 'i')	15.66	14.75
(f)	Unclaimed debenture interest	0.01	0.01
(g)	Derivatives (note 36)	0.13	20.72
(h)	Security deposit from customers	28.49	37.10
(i)	Accrued expenses	69.83	77.43
(j)	Others	42.85	5.90
		640.66	**656.29**

Footnote:

(i) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for ₹ 0.02 crore (2017: ₹ 0.53 crore), wherein legal disputes with regards to ownership have remained unresolved.

18. Provisions

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
Non-Current			
(a)	Provision for employee benefits		
(i)	Pension and other post retirement benefits (note 34)	111.76	137.27
(ii)	Others	2.85	3.83
		114.61	**141.10**
(b)	Other provisions (footnote 'i')	2.90	2.42
		117.51	**143.52**
Current			
(a)	Provision for employee benefits		
(i)	Pension and other post retirement benefits (note 34)	5.16	4.25
(ii)	Others	41.77	48.88
		46.93	**53.13**
(b)	Other provisions (footnote 'i')	50.26	129.71
		97.19	**182.84**

Footnotes:

(i) Other provisions include:

₹ in crore

Particulars	Asset retirement obligation (1)	Provision for warranty (2)	Others (3)	Total
Balance at 1 April, 2016	17.55	0.28	101.93	119.76
Provisions pertaining to discontinued operation (note 31)	(3.12)	-	-	(3.12)
Provisions recognised during the year	0.56	0.33	17.07	17.96
Payments / utilisation during the year	-	(0.03)	(1.16)	(1.19)
Unused amount reversed during the year	-	(0.19)	(1.09)	(1.28)
Balance at 31 March, 2017	**14.99**	**0.39**	**116.75**	**132.13**
Provisions pertaining to discontinued operation (note 31)	-	-	(92.29)	(92.29)
Provisions recognised during the year	0.48	0.32	12.71	13.51
Payments/utilisation during the year	-	-	(0.04)	(0.04)
Unused amount reversed during the year	-	(0.15)	-	(0.15)
Balance at 31 March, 2018	**15.47**	**0.56**	**37.13**	**53.16**
Balance at 31 March, 2017				
Non-Current	2.42	-	-	2.42
Current	12.57	0.39	116.75	129.71
Total	**14.99**	**0.39**	**116.75**	**132.13**
Balance at 31 March, 2018				
Non-Current	2.90	-	-	2.90
Current	12.57	0.56	37.13	50.26
Total	**15.47**	**0.56**	**37.13**	**53.16**

Nature of provisions :

1) Asset retirement obligation includes provision towards site restoration expense and decomissioning charges. The timing of the outflows is expected to be within a period of one to thirty years from the date of balance sheet.

2) Provision for warranty represents certain products that fail to perform satisfactorily during the warranty period. Provision made as at respective year ends represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of one year from the date of balance sheet.

3) Provision for others represents management's best estimate of outflow of economic resources in respect of water charges, entry tax, land revenue and other disputed items including direct taxes, indirect taxes and other claims. The timing of outflows is uncertain and will depend on the cessation of the respective cases.

19. Deferred tax assets and liabilities

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Deferred tax assets	(108.23)	(134.86)
(b) Deferred tax liabilities	280.31	273.41
Deferred tax liabilities (net)	**172.08**	**138.55**

2017-18

Particulars	As at 1 April, 2017	Recognised in the Statement of Profit and Loss (continuing operations)	Recognised in the Statement of Profit and Loss (discontinued operation)	Recognised in other comprehensive income	As at 31 March, 2018
Deferred tax assets/(liabilities) in relation to:					-
Allowance for doubtful debts and advances	(15.50)	(1.07)	(17.09)	-	(33.66)
Accrued expenses allowed in the year of payment and on fairvalue of investments	(116.04)	26.08	(4.64)	20.59	(74.01)
Depreciation and amortisation	273.41	6.60	(0.11)	-	279.90
Property, plant and equipment	(2.52)	1.67	1.26	-	0.41
Expenses allowed	(0.80)	0.24	-	-	(0.56)
	138.55	**33.52**	**(20.58)**	**20.59**	**172.08**
As at 31 March, 2018			**Assets**	**Liabilities**	**Net**
Deferred tax assets/(liabilities) in relation to:					
Allowance for doubtful debts and advances			(33.66)	-	(33.66)
Accrued expenses allowed in the year of payment			(74.01)	-	(74.01)
Depreciation and amortisation			-	279.90	279.90
Property, plant and equipment			-	0.41	0.41
Expenses allowed			(0.56)	-	(0.56)
			(108.23)	**280.31**	**172.08**

2016-17

Particulars	As at 1 April, 2016	Recognised in the Statement of Profit and Loss (continuing operations)	Recognised in the Statement of Profit and Loss (discontinued operation)	Recognised in other comprehensive income	As at 31 March, 2017
Deferred tax assets/(liabilities) in relation to:					
Allowance for doubtful debts and advances	(16.56)	1.37	(0.31)	-	(15.50)
Accrued expenses allowed in the year of payment	(87.07)	(15.87)	4.12	(17.22)	(116.04)
Depreciation and amortisation	269.35	(8.50)	12.56	-	273.41
Property, plant and equipment	(9.38)	6.86	-	-	(2.52)
Expenses allowed	-	(0.80)	-	-	(0.80)
	156.34	**(16.94)**	**16.37**	**(17.22)**	**138.55**
As at 31 March, 2017			**Assets**	**Liabilities**	**Net**
Deferred tax assets/(liabilities) in relation to:					
Allowance for doubtful debts and advances			(15.50)	-	(15.50)
Accrued expenses allowed in the year of payment			(116.04)	-	(116.04)
Depreciation and amortisation			-	273.41	273.41
Property, plant and equipment			(2.52)	-	(2.52)
Expenses allowed			(0.80)	-	(0.80)
			(134.86)	**273.41**	**138.55**

20. Other liabilities

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
Non-current			
(a)	Deferred income	10.50	10.50
		10.50	**10.50**
Current			
(a)	Statutory dues	29.58	47.48
(b)	Advance received from customers	3.09	24.53
(c)	Other liabilities	0.11	0.19
		32.78	**72.20**

21. Trade payables

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(a)	Trade payables (footnote 'i') (note 39)	423.10	506.70
(b)	Amount due to Micro, Small and Medium Enterprises (Footnote 'ii')	2.33	5.03
		425.43	**511.73**

Footnotes:

(i) Trade payables are non-interest bearing and are normally settled within 60 days.

(ii) According to information available with the Management, 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, Small and Medium Enterprises under the said Act as follows :

₹ in crore

Particulars			As at 31 March, 2018	As at 31 March, 2017
1	(a)	Principal amount remaining unpaid to any supplier	2.33	5.03
	(b)	Interest on 1(a) above	0.01	-
2	(a)	The amount of principal paid beyond the appointed date	0.17	42.12
	(b)	The amount of interest paid beyond the appointed date	*	-
3		Amount of interest due and payable on delayed payments	*	0.21
4		Amount of interest accrued and remaining unpaid as at year end	*	*
5		The amount of further interest due and payable even in the succeeding year	0.01	0.01

* value below ₹ 50,000

22. Tax assets and liabilities

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(a)	**Tax assets**		
	Non-Current - Advance tax assets (net)	420.63	431.25
(b)	**Current tax liabilities (net)**	122.15	104.88

23. Held for sale and discontinued operations

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Assets classified as held for sale and discontinued operations		
(i) Assets held for sale (Footnote 'i')	-	0.16
(ii) Discontinued operations (Footnote 'ii')	1,085.69	1,532.46
	1,085.69	**1,532.62**
(b) Liabilities directly associated with discontinued operations		
(i) Discontinued operations (Footnote 'ii')	549.95	511.27
	549.95	**511.27**

Footnotes:

(i) During the current year, the Company disposed off the assets classified as assets held for sale as at 31 March, 2017 for a value higher than the carrying amount and have recorded resultant gain in the Statement of Profit and Loss.

(ii) Discontinued operations comprise of assets and liabilities of Phosphatic Fertilisers business and Trading business as at 31 March, 2018 and of Urea and Customised Fertiliser business as at 31 March, 2017 (note 31).

24. Revenue from operations

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Sales of products	3,506.15	3,821.60
(b) Other operating revenues		
(i) Sale of scrap	13.32	10.73
(ii) Others	4.70	4.71
	18.02	**15.44**
	3,524.17	**3,837.04**

25. Other income

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Dividend income from		
(i) Current investments measured at FVTPL	28.62	46.18
(ii) Non-current investments in		
- Subsidiaries	36.50	24.34
- Joint venture	9.82	21.02
- Other non-current investments	27.04	13.78
	101.98	**105.32**
(b) Interest income from financial assets at amortised cost		
(i) On bank deposits	13.55	2.52
(ii) On loans and advances	0.08	0.10
(iii) Other interest	0.14	0.35
	13.77	**2.97**
(c) Interest on refund of taxes	16.01	52.24
(d) Others		
(i) Corporate guarantee commission	11.13	14.09
(ii) Gain on sale/redemption of investments (net)	49.54	2.30
(iii) Foreign exchange gain (net)	1.95	-
(iv) Other	0.11	-
	62.73	**16.39**
	194.49	**176.92**

26. Employee benefits expense

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Salaries, wages and bonus	205.33	207.22
(b)	Contribution to provident and other funds	14.52	16.42
(c)	Staff welfare expense	38.18	43.02
		258.03	**266.66**

27. Finance costs

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Interest costs		
	(i) Interest on loans at amortised cost	127.41	158.32
	(ii) Interest on obligations under finance leases	2.42	2.40
(b)	Translation differences (footnote 'i')	(63.11)	(78.99)
(c)	Discount and other charges	19.79	19.25
		86.51	**100.98**

Footnote:

(i) Translation differences on foreign currency loans regarded as borrowing cost net of changes in fair value of derivative contracts.

28. Depreciation and amortisation expense

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Depreciation of property, plant and equipment	124.48	127.77
(b)	Amortisation of intangible assets	2.07	1.83
		126.55	**129.60**

29. Other expenses

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Stores and spare parts consumed	60.43	61.01
(b)	Packing materials consumed	208.49	225.24
(c)	Power and fuel	473.93	377.55
(d)	Repairs - Buildings	9.58	7.12
	- Machinery	57.28	57.64
	- Others	0.38	0.54
(e)	Rent	23.37	24.87
(f)	Royalty, rates and taxes	29.57	31.01
(g)	Excise duty adjustment for stocks	(3.66)	2.33
(h)	Distributors' service charges	16.18	19.15
(i)	Sales promotion expenses	80.91	119.51
(j)	Insurance charges	4.51	5.48
(k)	Freight and forwarding charges	396.68	404.01
(l)	Loss on assets sold, discarded or written off	7.19	0.75
(m)	Bad debts written off	0.03	1.77
(n)	Provision for doubtful debts and advances (net)	3.06	(0.09)
(o)	Foreign exchange loss (net)	-	23.02
(p)	Directors' fees and commission	5.57	5.35
(q)	Auditors' remuneration (footnote 'i')	4.38	3.98
(r)	Expenditure towards Corporate Social Responsibility (CSR) (footnote 'ii')	14.28	12.56
(s)	Donations and contributions	3.19	5.47
(t)	Others	142.47	125.34
		1,537.82	**1,513.61**

Footnotes:

(i) Auditors' remuneration *

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Statutory Auditors		
a) For services as auditor	2.01	2.57
b) For taxation matters	0.25	0.47
c) For other services	2.33	1.30
d) For reimbursement of expenses	0.21	0.15
Cost Auditors		
a) For services as auditor	-	0.10
	4.80	**4.59**
Less: Pertaining to discontinued operation	0.42	0.61
	4.38	**3.98**

* Including taxes

(ii) Amount required to be spent by the Company during the year on CSR is ₹ 16.80 crore (2017: ₹ 13.92 crore) whereas the Company has spent ₹ 14.28 crore (2017: ₹ 15.00 crore). The Company has spent the following amounts during the year on the activities other than construction/acquisition of any asset.

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
1)	Health care, nutrition, sanitation and safe drinking water	1.87	3.25
2)	Environmental sustainability	4.63	4.01
3)	Poverty alleviation, livelihood enhancement and infrastructure support	1.06	1.05
4)	Education and vocational skill development	3.66	3.06
5)	Inclusive growth and empowerment	1.15	1.57
6)	Promotion and development of traditional arts and handicrafts	0.81	1.27
7)	Contribution to Prime Minister's National Relief fund/other relief funds	0.75	0.31
8)	Other approved activities	0.35	0.48
		14.28	**15.00**

The above CSR expense includes ₹ Nil (2017: ₹ 2.44 crore) relating to discontinued operations.

(iii) Expenditure incurred on Scientific Research and Development activities @

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
1)	Revenue expenditure (note 26 and 29 of Statement of Profit and Loss includes) :		
	a) Innovation Centre, Pune	31.45	32.68
	b) Centre for agri-solutions and technology, Aligarh (upto 12 January, 2018)	1.97	1.89
	c) Mithapur, Okhalamandal	0.33	0.39
2)	Capital expenditure		
	a) Innovation Centre, Pune	8.45	4.45
	b) Centre for agri-solutions and technology, Aligarh	-	0.05

@ The above figures are based on the separate accounts for the research and development ('R&D') centres recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology ('DSIR') for in-house research.

30. Income tax expense relating to continuing operations

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Tax expense		
(i) Current tax		
In respect of the current year	245.60	243.23
Reversal pertaining to prior years	-	(1.52)
	245.60	**241.71**
(ii) Deferred tax		
In respect of the current year	33.52	(16.94)
	33.52	**(16.94)**
Total tax expense	**279.12**	**224.77**

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before tax from continuing operations	**903.59**	**804.01**
Income tax expenses calculated at 34.608%	312.71	278.25
Effect of income that is exempt from taxation	(31.89)	(29.17)
Effect of expenses not deductible for tax computation	15.02	16.30
Effect of income/expenses of capital nature	(1.69)	7.29
Effect of concessions (research and development and other allowances like 80IA and 32AC of Income Tax Act, 1961)	(13.66)	(28.16)
Effect of different tax rates on distribution by joint venture operating in other jurisdictions.	(1.70)	(3.64)
Effect of income classifed to discontinued operations from continued operations	-	(3.45)
Effect of change in rate of recording deferred tax for discontinued operations	-	(10.63)
Others	0.32	(0.50)
	279.12	**226.29**
Adjustments recognised in the current year in relation to the current tax of prior years	-	(1.52)
Total income tax expense recognised for the year relating to continuing operations	**279.12**	**224.77**

31. Discontinued operations

(I) Disposal of urea and customised fertilisers business

During the previous year, the Company entered into an agreement with Yara Fertilisers India Private Limited ('Yara India') to transfer its Urea Business (which comprises of manufacturing facilities for urea and customised fertilisers at Babrala, Uttar Pradesh), by way of a slump sale.

On 12 January, 2018, the Company consummated the sale and transfer of its Urea and Customised Fertilisers Business to Yara India as contemplated in the Scheme of Arrangement dated 10 August, 2016. The pre-tax gain of ₹ 1,279.39 crore for the year ended 31 March, 2018 is included under exceptional gain for discontinued operations.

(II) Disposal of Phosphatic Fertilisers business and Trading business of bulk and non-bulk fertilisers

The Company has entered into an agreement with IRC Agrochemicals Private Limited ("IRC") and Indorama Holdings BV, Netherlands (Parent company of IRC) to transfer its Phosphatic Fertilisers business and Trading business (which comprises of manufacturing facilities for phosphatic fertilisers at Haldia Plant), by way of a slump sale for a consideration of ₹ 375.00 crore (subject to certain adjustments). The effect of the transfer will be reflected in the financial information of the period in which the deal is consummated post receipt of all the requisite regulatory approvals.

The financial performance and cash flows for Urea Business (till the date of sale) and Phosphatic Fertilisers business and Trading business of bulk and non-bulk fertilisers:

(a) Analysis of profit from discontinued operations

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year from discontinued operations		
Revenue from operations (footnote 'i')	4,086.91	4,616.80
Other income	0.34	0.04
	4,087.25	**4,616.84**
Expenses		
Depreciation and amortisation	12.58	40.28
Other expenses	3,636.95	4,390.97
Profit before exceptional item and tax	**437.72**	**185.59**
Exceptional gain (net)		
Profit on sale of discontinued operation	1,279.39	-
Impairment of assets (footnote 'ii')	(65.40)	-
Profit before tax	**1,651.71**	**185.59**
Tax expense	167.60	72.12
Tax on sale of discontinued operations	341.62	
Profit after tax	**1,142.49**	**113.47**

Footnotes:

(i) Revenue from operations includes subsidy income of ₹ 1,979.51 crore (2017: ₹ 2,012.42 crore)

(ii) The shortfall between the carrying value of net PPE and the recoverable value.

(b) Net cash flows attributable to the discontinued operations

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Net cash (outflows)/inflows from operating activities	240.47	3.25
Net cash used in investing activities	(29.58)	(26.93)
Net cash (outflows)/inflows from financing activities	(209.99)	23.88
Net cash inflows	**0.90**	**0.20**

(c) **Book value of assets and liabilities of discontinued operations:**

₹ in crore

Particulars	Phosphatic Fertilisers business and Trading business Year ended 31 March, 2018	Urea and customised fertilisers business Year ended 31 March, 2017
Property, plant and equipment and intangible assets (including CWIP)	75.05	529.10
Non-current financial assets	-	0.80
Other non-current assets	29.27	10.12
Inventories	149.80	126.68
Trade receivables (including subsidy of ₹ 802.10 crore (2017 : ₹ 813.43 crore)) (Footnote 'ii')	808.23	834.42
Cash and cash equivalents	1.04	0.08
Current financial assets	0.04	0.17
Other current assets	22.26	31.09
Total Assets (A)	**1,085.69**	**1,532.46**
Non-current financial liabilities - provisions	1.54	6.88
Borrowings (Footnote 'i' and 'ii')	310.08	370.70
Trade payables	112.26	89.06
Other financial liabilities	18.57	26.54
Other current liabilities	8.32	6.39
Current liabilities - provisions	99.18	11.70
Total Liabilities (B)	**549.95**	**511.27**
Net assets (A - B)	**535.74**	**1,021.19**

Footnotes:

(i) (a) 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 the State Bank of India Consortium (SBI Consortium). Loans under this scheme are secured by hypothecation of subsidy receivables. Fixed interest rate of 7.80% per annum out of which 6.84% per annum shall be borne by the Government and repaid in April 2018. The remaining 0.96% per annum shall be borne by the Company and will be recovered upfront for 60 days from the Company at the time of disbursement of the facility. Balance as at 31 March, 2018 : ₹ 307.95 crore (2017 : ₹ 370.70 crore).

(b) Cash credit (Secured) of ₹ 2.13 crore (2017: ₹ *)
* value below ₹ 50,000

(ii) Subsidy receivables and borrowings related to Phosphatic fertilisers and Trading business along with the related revenue and expenses are disclosed as discontinued operations. These receivables and borrowings will not be transferred on disposal of business.

(d) **Gain on disposal of urea and customised fertilisers business**

₹ in crore

Particulars	Year ended 31 March, 2018
Cash consideration received (net of cost to sell)	2,593.98
Net assets transferred (footnote 'i')	1,314.59
Gain on disposal	**1,279.39**

Footnote:

(i) Information of assets and liabilities transferred to Yara India

₹ in crore

Particulars	As at 31 March, 2018
Property, plant and equipment and intangible assets (including CWIP)	545.09
Other non-current assets	2.45
Inventories	27.50
Trade receivables	786.64
Other current assets	99.85
Total Assets (A)	**1,461.53**
Other non-current liabilities	129.73
Other current liabilities	17.21
Total Liabilities (B)	**146.94**
Net assets (A - B)	**1,314.59**

32. Earnings per share

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Basic and Diluted earnings per share (₹)		
From continuing operations (₹)	24.51	22.74
From discontinued operations (₹)	44.85	4.45
Total Basic and Diluted earnings per share (₹)	**69.36**	**27.19**

Footnotes:

The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows.

(a)	**Earnings used in the calculation of basic and diluted earnings per share:**	**₹ in crore**	**₹ in crore**
	Profit for the year from continuing operations	624.47	579.24
	Profit for the year from discontinued operations	1,142.49	113.47
		1,766.96	**692.71**
(b)	**Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:**	**No. of shares**	**No. of shares**
	Weighted average number of equity shares used in the calculation of basic and diluted earnings per share from continuing operations and from discontinued operations	25,47,56,278	25,47,56,278

33. Finance leases

Finance lease commitments

The Company has finance lease contracts for certain items of plant and machinery and vehicles. The Company's obligations under finance leases are secured by the lessor's title to the leased assets.

Future minimum lease payments ('MLP') under finance lease contracts together with the present value of the net minimum lease payments are, as follows:

₹ in crore

Particulars	31 March, 2018		31 March, 2017	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	7.05	5.22	26.41	23.38
After one year but not more than five years	21.12	18.23	15.13	11.73
More than five years	-	-	7.84	7.26
Total minimum lease payments	**28.17**	**23.45**	**49.38**	**42.37**
Less : amounts representing finance charges	4.72		7.01	
Present value of minimum lease payments	**23.45**		**42.37**	
Included in the financial statements as:				
- Non-current borrowings (note 16)		18.23		18.99
- Current maturity of finance lease obligations (note 17)		5.22		23.38
		23.45		**42.37**

Interest rates ranging from 8% to 12% per annum, underlying all obligations under finance leases, are fixed at respective contract dates.

34. Employee benefits obligations

(a) The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan and towards pension fund, 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. The Company is liable to pay to the provident fund to the extent of the amount contributed and any shortfall in the fund assets based on Government specified minimum rates of return relating to current services. The Company recognises such contribution and shortfall if any as an expense in the year incurred.

On account of the above contribution plans, a sum of ₹ 14.62 crore (2017: ₹ 15.00 crore) has been charged to the Statement of Profit and Loss.

(b) The Company makes annual contributions to the Tata Chemicals Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The Company also provides post retirement medical benefits to eligible employees under which employees at Mithapur who have retired from service of the Company are entitled for free medical facility at the Company hospital during their lifetime. Other employees are entitled to domiciliary treatment exceeding the entitled limits for the treatments covered under the Health Insurance Scheme upto slabs defined in the scheme. The floater mediclaim policy also covers retired employees based on eligibility, for such benefit.

The Company provides pension, housing / house rent allowance and medical benefits to retired Managing and Executive Directors who have completed ten years of continuous service in Tata Group and three years of continuous service as Managing Director/ Executive Director or five years of continuous service as Managing Director/Executive Director. The directors are entitled upto seventy five percent of last drawn salary for life and on death 50% of the pension is payable to the spouse for the rest of his/her life.

Family benefit scheme is applicable to all permanent employees in management, officers and workmen who have completed one year of continuous service. In case of untimely death of the employee, nominated beneficiary is entitled to an amount equal to the last drawn salary (Basic Salary, DA and FDA) till the normal retirement date of the deceased employee.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31 March, 2018. 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 31 March, 2018 for the Defined Benefit Plans.

1. Changes in the defined benefit obligation:

₹ in crore

Particulars	As at 31 March, 2018				As at 31 March, 2017			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
At the beginning of the year	95.20	84.14	42.63	17.48	87.78	42.88	31.86	15.48
Current service cost	5.65	4.20	0.44	1.81	5.09	1.90	0.29	1.61
Past service cost	1.19	-	-	-	-	-	-	-
Interest cost	6.16	5.71	2.83	1.15	6.41	3.30	2.42	1.17
Remeasurement (gain)/loss								
Actuarial (gain) / loss arising from:								
- Change in financial assumptions	(5.30)	(11.51)	(4.78)	(0.82)	6.70	34.26	7.97	1.08
- Experience adjustments	6.46	(9.80)	(0.54)	(4.32)	(2.45)	2.99	1.33	(0.93)
Transfer out *	(17.22)	(6.27)	-	(0.62)	-	-	-	-
Benefits paid	(10.10)	(1.27)	(1.18)	(1.10)	(8.33)	(1.19)	(1.24)	(0.93)
	82.04	**65.20**	**39.40**	**13.58**	**95.20**	**84.14**	**42.63**	**17.48**
Pertaining to discontinued operation	(8.75)	-	-	(1.26)	(16.95)	-	-	(2.73)
At the end of the year	**73.29**	**65.20**	**39.40**	**12.32**	**78.25**	**84.14**	**42.63**	**14.75**

* Pertaining to urea and customised fertilisers business.

2. Changes in the fair value of plan assets:

₹ in crore

Particulars	As at 31 March 2018				As at 31 March 2017			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
At the beginning of the year	94.07	-	-	-	84.73	-	-	-
Interest on plan assets	6.14	-	-	-	6.29	-	-	-
Employer's contributions	11.19	-	-	-	10.17	-	-	-
Remeasurement gain/(loss)								
Annual return on plan assets less interest on plan assets	2.68	-	-	-	1.21	-	-	-
Benefits paid	(10.10)	-	-	-	(8.33)	-	-	-
Transfer out *	(16.15)	-	-	-	-	-	-	-
	87.83	**-**	**-**	**-**	**94.07**	**-**	**-**	**-**
Pertaining to discontinued operations (note 31)	(7.10)	-	-	-	(16.48)	-	-	-
Value of plan assets at the end of the year	**80.73**	**-**	**-**	**-**	**77.59**	**-**	**-**	**-**
Impact of asset ceiling	(0.37)	-	-	-	-	-	-	-
Liability (net)	**(7.07)**	**65.20**	**39.40**	**12.32**	**0.66**	**84.14**	**42.63**	**14.75**

* Pertaining to urea and customised fertilisers business

3. Net employee benefit expense for the year:

₹ in crore

Particulars	Year ended 31 March, 2018				Year ended 31 March, 2017			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Current service cost	5.65	4.20	0.44	1.81	5.09	1.90	0.29	1.61
Past service cost	1.19	-	-	-	-	-	-	-
Interest on defined benefit obligation (net)	0.02	5.71	2.83	1.15	0.12	3.30	2.42	1.17
Pertaining to discontinued operations	(1.03)	-	-	-	(1.02)	-	-	(0.28)
Components of defined benefits costs recognised in the Statement of Profit and Loss	**5.83**	**9.91**	**3.27**	**2.96**	**4.19**	**5.20**	**2.71**	**2.50**
Remeasurement								
Actuarial (gain) / loss arising from:								
- Change in financial assumptions	(5.30)	(11.51)	(4.78)	(0.82)	6.70	34.26	7.97	1.08
- Experience changes	6.46	(9.80)	(0.54)	(4.32)	(2.45)	2.99	1.33	(0.93)
Impact of asset ceiling	0.37	-	-	-	-	-	-	-
Return on plan assets less interest on plan assets	(2.68)	-	-	-	(1.21)	-	-	-
Components of defined benefits costs recognised in other comprehensive income	**(1.15)**	**(21.31)**	**(5.32)**	**(5.14)**	**3.04**	**37.25**	**9.30**	**0.15**
Net employee benefit expense	**4.68**	**(11.40)**	**(2.05)**	**(2.18)**	**7.23**	**42.45**	**12.01**	**2.65**

4 **Categories of the fair value of total plan assets :**

₹ in crore

Particulars	As at 31 March, 2018 Gratuity	As at 31 March, 2017 Gratuity
Government of India Securities (Quoted)	8.27	14.45
Corporate Bonds (Quoted)	5.30	6.47
Fund Managed by Life Insurance Corporation of India (Unquoted)	73.94	72.57
Others	0.32	0.58
Total	**87.83**	**94.07**

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

5 **Risk Exposure :**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

Investment risk	If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower, and the funding level higher, than expected.
Changes in bond yields	A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Longevity risk	If improvements in life expectancy are greater than assumed, the cost of benefits will increase because pensions are paid for longer than expected. This will mean the funding level will be higher than expected.
Inflation risk	If inflation is greater than assumed, the cost of benefits will increase as pension increases and deferred revaluations are linked to inflation.

6 **Assumptions used in accounting for gratuity, post retirement medical benefits, directors' retirement obligations and family benefit scheme:**

Particulars		Gratuity and Compensated absences	Post retirement medical benefits	Directors' retirement obligations	Family Benefit Scheme
Discount rate	As at 31 March, 2018	7.75%	7.75%	7.75%	7.75%
	As at 31 March, 2017	6.85%	6.85%	6.85%	6.85%
Increase in Compensation cost	As at 31 March, 2018	7.50%	NA	7.50%	7.50%
	As at 31 March, 2017	7.50%	NA	7.50%	7.50%
Healthcare cost increase rate	As at 31 March, 2018	NA	10.00%	8.00%	NA
	As at 31 March, 2017	NA	10.00%	8.00%	NA
Pension increase rate	As at 31 March, 2018	NA	NA	6.00%	NA
	As at 31 March, 2017	NA	NA	6.00%	NA

(a) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(b) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

7 Sensitivity Analysis

Impact on defined benefit obligation due to change in assumptions

₹ in crore

Particulars	As at 31 March 2018									
	Gratuity		Post retirement medical benefits		Directors' retirement obligations		Directors' post retirement medical benefits		Family benefit scheme	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate										
0.5% change	(2.70)	2.85	(5.33)	6.05	(1.94)	2.15	(0.38)	0.42	(0.42)	0.43
Compensation rate										
0.5% change	2.90	(2.72)	-	-	-	-	-	-	-	-
Pension rate										
1% change	-	-	-	-	3.29	(2.86)	-	-	-	-
Healthcare costs										
1% change	-	-	12.53	(9.93)	-	-	0.88	(0.72)	-	-
Life expectancy										
Change by 1 year	-	-	3.81	(3.78)	1.01	(1.02)	0.19	(0.19)	-	-

Particulars	As at 31 March 2017									
	Gratuity		Post retirement medical benefits		Directors' retirement obligations		Directors' post retirement medical benefits		Family benefit scheme	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate										
0.5% change	(2.97)	3.18	(7.82)	8.98	(2.25)	2.51	(0.46)	0.52	(0.49)	0.53
Compensation rate										
0.5% change	3.11	(2.94)	-	-	-	-	-	-	-	-
Pension rate										
1% change	-	-	-	-	3.83	(3.30)	-	-	-	-
Healthcare costs										
1% change	-	-	18.50	(14.40)	-	-	1.08	(0.87)	-	-
Life expectancy										
Change by 1 year	-	-	5.09	(5.01)	1.15	(1.16)	0.22	(0.23)	-	-

The sensitivity analysis above has been determined based on reasonably possible changes of the respective key assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

8 **Maturity profile of defined benefit obligation is as follows:**

₹ in crore

Particulars	As at 31 March, 2018				As at 31 March, 2017			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Within the next 12 months (next annual reporting period)	14.27	1.42	2.63	1.25	10.51	1.29	2.52	1.30
Later than 1 year and not later than 5 years	34.93	7.78	9.03	5.72	36.01	7.11	8.74	6.62
Later than 5 year and not later than 9 years	30.07	11.95	9.75	5.23	35.76	11.44	9.56	6.80
10 years and above	82.71	400.15	128.44	13.12	103.71	481.24	126.21	16.58
Total expected payments	**161.98**	**421.30**	**149.84**	**25.33**	**185.99**	**501.08**	**147.03**	**31.30**
Weighted average duration to the payment of cash flows (in Year)	6.83	17.39	12.96	6.31	7.85	19.89	14.16	6.90

9 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.

10 **Average longevity at retirement age for current beneficiaries of the plan (years)***

Particulars	As at 31 March, 2018	As at 31 March, 2017
Males	17.51	17.51
Females	22.02	22.02

* Based on India's standard mortality table with modification to reflect expected changes in mortality.

(c) **Provident Fund**

The Company operates Provident Fund Schemes and the contributions are made to recognised funds maintained by the Company. The Company is required to offer a defined benefit interest rate guarantee on provident fund balances of employees. The interest rate guarantee is payable to the employees for the year when the exempt fund declares a return on provident fund investments which is less than the rate declared by the Regional Provident Fund Commissioner (RPFC) on the provident fund corpus for their own subscribers. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no material shortfall as on 31 March, 2018.

The details of fund and plan assets position are given below:

₹ in crore

Particulars	As at 31 March, 2018
Plan assets at the end of the year	365.31
Present value of funded obligation	365.31
Amount recognised in the Balance Sheet	-
Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:	
Guaranteed rate of return	8.55%
Discount rate for remaining term to maturity of investments	7.65%
Discount rate	7.75%
Expected rate of return on investments	8.38%

35. Segment information

35.1 Continuing operations

₹ in crore

Particulars			Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	**Information about operating segments**			
1.	**Segment revenue (Revenue from operations)**			
	(i)	Inorganic chemicals	3,376.83	3,459.80
	(ii)	Others	146.07	374.83
			3,522.90	3,834.63
		Unallocated	1.27	2.41
			3,524.17	**3,837.04**
2.	**Segment result (Reconciliation with profit from continuing operations)**			
	(i)	Inorganic chemicals	996.28	983.03
	(ii)	Others	(43.75)	(86.25)
		Total Segment results	**952.53**	**896.78**
		Unallocated expenditure net of unallocated income	37.57	8.21
		Finance costs	(86.51)	(100.98)
		Profit before tax	**903.59**	**804.01**
		Tax expense	(279.12)	(224.77)
		Profit for the year from continuing operations	**624.47**	**579.24**

3. Segment assets and segment liabilities

₹ in crore

Particulars		Segment assets		Segment liabilities	
		As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
(i)	Inorganic chemicals	1,943.86	1,868.31	600.78	534.47
(ii)	Others	189.74	144.73	51.86	42.78
		2,133.60	**2,013.04**	**652.64**	**577.25**
	Unallocated	10,955.07	8,000.90	1,647.63	2,530.56
		13,088.67	**10,013.94**	**2,300.27**	**3,107.81**

4. Other information

₹ in crore

Particulars		Addition to non-current assets *		Depreciation and amortisation		Other non-cash expenses	
		Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017
(i)	Inorganic chemicals	236.15	192.67	107.87	111.00	2.73	19.76
(ii)	Others	24.14	6.49	3.30	3.13	3.62	1.12
		260.29	**199.16**	**111.17**	**114.13**	**6.35**	**20.88**
	Unallocated	27.31	11.37	15.38	15.47	16.56	8.89
		287.60	**210.53**	**126.55**	**129.60**	**22.91**	**29.77**

* Comprises additions to Property, plant and equipment, Capital work-in-progress, Intangible assets and Intangible assets under development.

(b) Information about geographical areas

The Company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below threshold limit, no separate geographical segment disclosure is considered necessary.

All non-current assets in the nature of property, plant and equipment (including capital work in progress) and intangible assets (including those under development) are domiciled in india.

(c) Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(i) Soda Ash	1,415.48	1,549.27
(ii) Vaccum and Iodised Salt	1,275.47	1,236.46
(iii) Others	833.22	1,051.31
	3,524.17	**3,837.04**

(d) Major Customer

No single customers contributed 10% or more to the Company's revenue for the year ended 31 March, 2018 and 31 March, 2017.

(e) Other notes

(i) Management has identified one reportable business segments, namely:

- Inorganic Chemicals: Comprising soda ash, marine chemicals, caustic soda, cement, bulk chemicals and salt.
- Others: Comprising pulses, spices, water purifiers and nutritional solutions.

(ii) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

35.2 Segment information

Discontinued operations (note 31)

(a) Information about operating segment

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Revenue from operations (external)	4,086.91	4,616.80
Result :		
Segment result	1,715.12	361.27
Finance costs	(63.41)	(175.68)
Profit before tax	**1,651.71**	**185.59**
Tax expenses	(509.22)	(72.12)
Profit from discontinued operations after tax	**1,142.49**	**113.47**

Other information :

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Segment assets	1,085.69	2,785.42
Segment liabilities	549.95	836.10

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Addition to non-current assets *	10.58	25.52
Depreciation and amortisation	12.58	40.28
Other non-cash expenses	103.20	18.58

* Comprises additions to Property, plant and equipment, Capital work-in-progress and Intangible assets.

(b) Information about geographical area

Discontinued operations sells its products within India where the conditions prevailing are uniform.

(c) Revenue from major products

Discontinued operations segment deals in one product group i.e fertilisers and other agri inputs.

(d) Major Customer

No single customers contributed 10% or more to the discontinued operations of the Company's revenue for the year ended 31 March, 2018 and 31 March, 2017.

35.3 Reconciliation of information on reportable segment to Balance sheet and Statement of Profit and Loss

(a) Reconciliation of profit for the year as per Statement of Profit and Loss

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year from continuing operations (note 35.1 (a) (2))	624.47	579.24
Profit for the year from discontinued operations (note 35.2 (a))	1,142.49	113.47
Profit for the year as per Statement of Profit and Loss	**1,766.96**	**692.71**

(b) Reconciliation of total assets as per Balance sheet

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Total assets as per continuing operations (note 35.1 (a) (3))	13,088.67	10,013.94
Total assets as per discontinued operations (note 35.2 (a))	1,085.69	2,785.42
Total assets as per Balance sheet	**14,174.36**	**12,799.36**

(c) Reconciliation of total liabilities as per Balance sheet

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Total liabilities as per continuing operations (note 35.1 (a) (3))	2,300.27	3,107.81
Total liabilities as per discontinued operations (note 35.2 (a))	549.95	836.10
Total liabilities as per Balance sheet	**2,850.22**	**3,943.91**

36. Derivative financial instruments

(a) The details of the various outstanding derivative financial instruments are given below:

₹ in crore

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Assets	Liabilities	Assets	Liabilities
Current portion				
- Forward contracts	0.76	0.13	-	20.72
- Cross-currency interest rate swaps	8.01	-	6.32	-
- Option contracts	0.08	-		
Total current portion	**8.85**	**0.13**	**6.32**	**20.72**
Non-current portion				
Derivatives not designated in a hedge relationship				
- Cross-currency interest rate swaps	4.87	-	0.38	1.35
Total non-current portion	**4.87**	**-**	**0.38**	**1.35**
Total	**13.72**	**0.13**	**6.70**	**22.07**

Although these contracts are effective as hedges from an economic perspective, these are not designated for hedge accounting.

(b) **The details of the gross notional amounts of derivative financial instruments outstanding are given in the table below:**

Derivative instruments	Underlying	As at 31 March, 2018	As at 31 March, 2017
Forward contracts	USD/INR	$ 17.6 million	$ 89.7 million
Forward contracts	EUR/INR	€ 1.8 million	€ 0.4 million
Forward contracts	CHF/INR	-	CHF 0.7 million
Option contracts	USD/INR	$ 0.9 million	-
Cross-currency interest rate swaps	USD/INR and floating to fixed	$ 126.7 million	$ 190 million

37. Disclosures on financial instruments

(a) Financial instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31 March 2018.

₹ in crore

Particulars		Investments - FVTOCI	Investments - FVTPL	Derivatives	Amortised cost	Total carrying value
Financial assets						
(a)	Investments - non-current					
	Equity instrument at fair value	2,366.61	-	-	-	2,366.61
	Debt instrument at fair value	-	977.63	-	-	977.63
(b)	Trade receivables	-	-	-	140.36	140.36
(c)	Cash and cash equivalents	-	-	-	3,303.29	3,303.29
(d)	Other bank balances	-	-	-	465.63	465.63
(e)	Loans - non-current	-	-	-	1.38	1.38
(f)	Loans - current	-	-	-	0.51	0.51
(g)	Other financial assets - non-current	-	-	4.87	0.26	5.13
(h)	Other financial assets - current	-	-	8.85	62.80	71.65
Total		**2,366.61**	**977.63**	**13.72**	**3,974.23**	**7,332.19**
Financial liabilities						
(a)	Borrowings - non-current			-	681.07	681.07
(b)	Borrowings - current			-	0.61	0.61
(c)	Trade payables			-	425.43	425.43
(d)	Other financial liabilities - non-current			-	0.29	0.29
(e)	Other financial liabilities - current			0.13	640.53	640.66
Total				**0.13**	**1,747.93**	**1,748.06**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31 March, 2017.

₹ in crore

Particulars		Investments - FVTOCI	Investments - FVTPL	Derivatives	Amortised cost	Total carrying value
Financial assets						
(a)	Investments - non-current					
	Equity instrument at fair value	2,230.69	-	-	-	2,230.69
	Debt instrument at fair value	-	972.75	-	-	972.75
(b)	Trade receivables	-	-	-	1,031.69	1,031.69
(c)	Cash and cash equivalents	-	-	-	1,097.38	1,097.38
(d)	Other bank balances	-	-	-	14.70	14.70
(e)	Loans - non-current	-	-	-	1.10	1.10
(f)	Loans - current	-	-	-	0.67	0.67
(g)	Other financial assets - non-current	-	-	0.38	0.26	0.64
(h)	Other financial assets - current	-	-	6.32	42.06	48.38
Total		**2,230.69**	**972.75**	**6.70**	**2,187.86**	**5,398.00**
Financial liabilities						
(a)	Borrowings - non-current			-	1,087.93	1,087.93
(b)	Borrowings - current			-	522.50	522.50
(c)	Trade payables			-	511.73	511.73
(d)	Other financial liabilities - non-current			1.35	0.35	1.70
(e)	Other financial liabilities - current			20.72	635.57	656.29
Total				**22.07**	**2,758.08**	**2,780.15**

(b) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following tables provides the fair value measurement hierarchy of the Company's financials assets and liabilities that are measured at fair value or where fair value disclosure is required.

₹ in crore

Particulars	As at 31 March, 2018 Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative financial assets				
Cross currency interest rate swaps	12.88	-	12.88	-
Options	0.08	-	0.08	-
Foreign exchange forward contracts	0.76	-	0.76	-
FVTOCI financial investments				
Quoted equity instruments	1,718.84	1,718.84	-	-
Unquoted equity instruments	647.77	-	-	647.77
FVTPL financial investments				
Unquoted debt instruments	977.63	-	-	977.63
Liabilities measured at fair value:				
Derivative financial liabilities				
Foreign exchange forward contracts	0.13	-	0.13	-
Liabilities for which fair values are disclosed				
Borrowings:				
Unsecured Non-convertible debentures	256.32	256.32	-	-

There have been no transfers between levels during the period.

₹ in crore

Particulars	As at 31 March, 2017 Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative financial assets				
Cross currency interest rate swaps	6.70	-	6.70	-
FVTOCI financial investments				
Quoted equity instruments	1,653.97	1,653.97	-	-
Unquoted equity instruments	576.72	-	-	576.72
FVTPL financial investments				
Unquoted debt instruments	972.75	-	-	972.75
Liabilities measured at fair value:				
Derivative financial liabilities				
Coupon only swaps	1.35	-	1.35	-
Foreign exchange forward contracts	20.72	-	20.72	-
Liabilities for which fair values are disclosed :				
Borrowings:				
Unsecured Non-convertible debentures	262.90	262.90	-	-

There have been no transfers between levels during the period.

(c) The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values.

₹ in crore

Particulars	Total	FVTOCI financial investments	FVTPL financial investments- Equity	FVTPL financial investments- Debt
Balance as at 1 April 2016	1,552.37	555.65	2.89	993.83
Addition / (Deletion) during the year	(2.89)	-	(2.89)	-
Add / (less): fair value through Other comprehensive income	21.07	21.07	-	-
Add / (less): Foreign currency translation adjustment	(21.08)	-	-	(21.08)
Balance as at 31 March, 2017	**1,549.47**	**576.72**	**-**	**972.75**
Add / (less): fair value through Other comprehensive income	71.05	71.05	-	-
Add / (less): Foreign currency translation adjustment	4.88	-	-	4.88
Balance as at 31 March, 2018	**1,625.40**	**647.77**	**-**	**977.63**

(d) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

(i) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range.

(iii) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instruments is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying insturments etc. and use of appropriate valuation models.

(iv) The fair value of non-current Borrowings carrying floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).

(v) The fair values of the 10% unsecured redeemable non-convertible debenture (included in non-current borrowings) are derived from quoted market prices. The Company has no other long-term borrowings with fixed-rate of interest.

(e) Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Risk Management Group ('TRMG') manages these risks. TRMG advises on financial risks and the appropriate financial risk governance framework for the Company and provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company's policy is not to trade in derivatives for speculative purposes.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set a policy wherein exposure is identified, a benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The policy also includes mandatory initial hedging requirements for exposure above a threshold.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and foreign currency borrowings, primarily with respect to USD.

As at the end of the reporting period , the carrying amounts of the Company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD and derivative to hedge the exposure, are as follows:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
USD exposure*		
Assets	1,010.83	1,007.76
Liabilities	(863.83)	(1,787.56)
Net	**147.00**	**(779.81)**
Derivatives to hedge USD exposure		
Forward contracts - (USD/ INR)	115.03	499.30
Option contracts - (USD/ INR)	6.04	-
Cross currency swaps - (USD/ INR)	825.96	1,232.15
	947.03	**1,731.45**
Net exposure	**1,094.03**	**951.65**

* includes exposure relating to discontinued operation.

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities and derivatives is as follows:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
If INR had (strengthened) / weakened against USD by 5% (Decrease) / increase in profit for the year	54.70	47.58

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's non-current debt obligations with floating interest rates.

The Company's policy is generally to undertake non-current borrowings using facilities that carry floating-interest rate. The Company manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

As at the end of reporting period, the Company had the following long term variable interest rate borrowings and derivatives to hedge the interest rate risk as follows:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current variable interest rate borrowings	825.96	1,232.15
Derivatives to hedge interest rate risk		
Cross currency swaps	825.96	1,232.15
Total	**825.96**	**1,232.15**
Net exposure	-	-

Interest rate sensitivity

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Equity price risk management

Equity price risk is related to the change in market price of the investments in quoted equity securities. The Company's exposure to equity price risk arises from investment held by the Company and classified as FVTOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Equity price sensitivity analysis

If prices of quoted equity securities had been 5% higher / (lower), the OCI for the year ended March 31, 2018 and 2017 would increase / (decrease) by ₹ 85.94 crore and ₹ 82.70 crore respectively.

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, foreign exchange transactions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term deposits with banks, short term investment, trade receivables and other financial assets excluding equity investments.

Trade receivables

Trade receivables of the Company are typically unsecured and derived from sales made to a large number of independent customers. Customer credit risk is managed by each business unit subject to established policies, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The credit period provided by the Company to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically.

The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Company revenue.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Financial guarantees

Financial guarantees disclosed in note 41.1(b) have been provided as corporate guarantees to financial institutions and banks that have extended credit facilities to the Company's subsidiaries. In this regard, the Company does not foresee any significant credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The below table analyses the Company's non-derivative financial liabilities as at the reporting date, into relevant maturity groupings based on the remaining period (as at that date) to the contractual maturity date. The amounts disclosed in the below table are the contractual undiscounted cash flows.

₹ in crore

Particulars	Carrying amount	Up-to 1 year	1-3 years	3-5 years	Above 5 years	Total
As at 31 March, 2018						
Borrowings and future interest thereon	1,097.13	444.39	677.78	-	-	1,122.17
Trade and other payables	650.80	650.51	0.29	-	-	650.80
Total	**1,747.93**	**1,094.90**	**678.07**	**-**	**-**	**1,772.97**
As at 31 March, 2017						
Borrowings and future interest thereon	2,047.98	1,020.61	1,147.66	-	-	2,168.27
Trade and other payables	717.46	717.11	0.35	-	-	717.46
Total	**2,765.44**	**1,737.72**	**1,148.01**	**-**	**-**	**2,885.73**

The below table analyses the Company's derivative financial liabilities into relevant maturity groupings based on the remaining period (as at the reporting date) to the contractual maturity date.

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Current portion	0.13	20.72
Non-current portion (within one-three years)	-	1.35
Net	**0.13**	**22.07**

All the derivative financial liabilities are included in the above analysis, as their contractual maturity dates are essential for the understanding of the timing of the under-lying cash flows.

38. Capital management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

39. Related Party Disclosure

(a) Related parties and their relationship (as defined under Ind AS-24 Related Party Disclosures)

Subsidiaries

Direct

Rallis India Limited, India

Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, Mauritius (note 7)

Encourage Social Enterprise Foundation

Indirect

Rallis Chemistry Exports Limited, India

Metahelix Life Sciences Limited, India

Zero Waste Agro Organics Limited (ZWAOL), India

PT Metahelix Lifesciences Indonesia (PTLI), Indonesia @

Valley Holdings Inc., United States of America

Tata Chemicals North America Inc., United States of America

General Chemical International Inc., United States of America

NHO Canada Holdings Inc., United States of America

Tata Chemicals (Soda Ash) Partners (TCSAP), United States of America **

Tata Chemicals (Soda Ash) Partners Holdings (TCSAPH), United States of America **

TCSAP Holdings

TCSAP LLC, United States of America

Homefield Pvt UK Limited, United Kingdom

Homefield 2 UK Limited, United Kingdom

Tata Chemicals Africa Holdings Limited, United Kingdom

Tata Chemicals Europe Holdings Limited, United Kingdom

Tata Chemicals Europe Limited, United Kingdom

Winnington CHP Limited, United Kingdom

Brunner Mond Group Limited, United Kingdom

Brunner Mond Limited , United Kingdom ##

Tata Chemicals Magadi Limited, United Kingdom

Northwich Resource Management Limited, United Kingdom

Brunner Mond Generation Company Limited , United Kingdom*

Gusiute Holdings (UK) Limited, United Kingdom

TCNA (UK) Limited, United Kingdom

British Salt Limited, United Kingdom

Cheshire Salt Holdings Limited, United Kingdom

Cheshire 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

Tata Chemicals International Pte. Limited, Singapore

Tata Chemicals (South Africa) Proprietary Limited, South Africa

Magadi Railway Company Limited, Kenya

Alcad, United States of America **

Grown Energy Zambeze Holdings Pvt. Ltd, Mauritius (ceased w.e.f 28 June, 2017)

Grown Energy (Pty) Limited, South Africa (ceased w.e.f 28 June, 2017)

Grown Energy Zambeze Limitada, Mozambique (ceased w.e.f 28 June, 2017)

Joint Ventures

Direct

Indo Maroc Phosphore S.A., Morocco

Indirect

The Block Salt Company Limited, United Kingdom (Holding by New Cheshire Salt Works Limited)

JOil (S) Pte. Ltd and its subsidiaries (Holding by Tata Chemicals International Pte. Limited)

Natronx Technologies LLC, United States of America (Holding by TCSAP)

Other related parties

Tata Chemicals Ltd Provident Fund

Tata Chemicals Ltd Emp Pension Fund

Tata Chemicals Superannuation Fund

Tata Chemicals Employees Gratuity Trust

TCL Employees Gratuity Fund

Key Management Personnel

Mr. R. Mukundan, Managing Director and CEO

Promoter Group

Tata Sons Limited, India

List of subsidiaries and joint ventures of Tata Sons Limited @@

TATA AIG General Insurance Company Limited

Tata Autocomp Systems Limited

Tata Capital Forex Limited (ceased w.e.f 30 October, 2017)

Tata Capital Financial Services Limited

TC Travel and Services Limited (ceased w.e.f 30 October, 2017)

Tata International Limited

Tata Consultancy Services Limited

TATA AIA Life Insurance Company Limited

Tata Business Support Services Limited (ceased w.e.f 27 November, 2017)

Tata Consulting Engineers Limited

Infiniti Retail Limited

TASEC Limited (formely TAS-AGT Systems Limited)

Tata Industries Limited

Tata Unistore Limited (formerly Tata Industrial Services Limited)

Tata Teleservices Limited

Ecofirst Services Limited

Tata Realty and Infrastructure Limited

Tata Investment Corporation Limited

Ewart Investments Limited

Simto Investment Company Limited

Tata Autocomp Hendrickson Limited

Tata Advanced System Limited

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

@ PT Metahelix Lifesciences Indonesia was incorporated in the year 2016-17.

* Brunner Mond Generation Company Limited (Dissolved with effect from 19 December, 2017)

Brunner Mond Limited (Dissolved with effect from 2 January, 2018)

@@ The above list includes the Companies with whom the Company has entered into the transactions during the course of the year.

(b) Transactions with Related parties (as defined under Ind AS 24) during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018 and as at 31 March, 2017

Particulars	Subsidiaries of Tata Chemicals Limited										Joint Venture of Tata Chemicals Limited	Promoter	Tata Sons Limited, Its Subsidiaries and Joint Ventures			Other related parties	Key Management Personnel (KMP)	Total
	Rallis India Limited, India	Metahelix	Ncourage Social Enterprise Foundation	Tata Chemicals North America Inc, United States of America	Tata Chemicals Magadi Limited, U.K	Tata Chemicals International Pte. Limited, Singapore	Homefield UK Private Limited, U.K.	Tata Chemicals Europe Limited	British Salt Limited, U.K	Grown Energy Zambeze Limitada, Mozambique	Indo Maroc Phosphore S.A. Morocco	Tata Sons Limited	TC Travel and Services Limited	Tata Consultancy Services Limited	Other Entities			
Transactions with related parties																		
Investments	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.05**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of goods (includes stock in transit) - (net of returns)	**0.08**	**(3.12)**	**-**	**64.44**	**11.23**	**176.61**	**-**	**-**	**0.75**	**-**	**290.77**	**-**	**-**	**-**	**-**	**-**	**-**	**540.76**
	14.43	22.36	-	10.74	12.96	46.35	-	-	0.43	-	310.73	-	-	-	2.04	-	-	420.04
Sales (net)	**6.41**	**-**	**-**	**-**	**-**	**0.08**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.49**
	5.74	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.76
Other services - expenses & Reimbursement of Expenses	**-**	**-**	**-**	**(1.29)**	**(0.94)**	**(0.04)**	**-**	**(1.69)**	**-**	**-**	**1.71**	**19.90**	**5.21**	**11.93**	**4.67**	**-**	**-**	**39.46**
	-	-	-	(1.29)	(1.96)	(0.11)	-	(2.32)	-	-	2.95	25.43	7.56	7.85	5.79	-	-	43.90
Other services - Income	*	*	**-**	**-**	**1.90**	**5.59**	**4.00**	**0.11**	**-**	**-**	**-**	**0.07**	**-**	**-**	**0.22**	**-**	**-**	**11.89**
	-	-	-	-	1.96	8.25	3.77	0.11	-	-	-	0.22	-	0.04	0.10	-	-	14.45
Dividend received	**36.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9.82**	**8.19**	**-**	**-**	**0.86**	**-**	**-**	**55.37**
	24.34	-	-	-	-	-	-	-	-	-	21.02	-	-	-	0.72	-	-	46.08
Deposit Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Miscellaneous purchases/Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.69**	**-**	**-**	**0.69**
	-	-	-	-	-	-	-	-	-	-	-	1.63	-	-	0.02	-	-	1.65
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**54.24**	**-**	**-**	**18.88**	**-**	**-**	**73.12**
	-	-	-	-	-	-	-	-	-	-	-	49.31	-	-	17.52	-	-	66.83
Interest paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.40**	**-**	**-**	**0.40**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.40	-	-	0.40
Contributions to employee benefit trusts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37.81**	**-**	**37.81**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40.36	-	40.36
Compensation to key Managerial Person																		
Short-term employee benefits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.84**	**5.84**
	-	-		-	-	-	-	-	-	-	-		-	-	-	-	5.15	5.15
Post-employment benefits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.82)**	**(0.82)**
	-	-		-	-	-	-	-	-	-	-		-	-	-	-	3.98	3.98
Balances due from /to related parties																		
Amount receivables/advances																		
As at 31 March, 2018	**0.19**	**-**	**-**	**-**	**-**	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.64**	**23.31**	**-**	**24.18**
As at 31 March, 2017	-	-	-	-	-	-	-	-	0.05	1.20	0.54	-	-	-	0.71	0.01	-	2.51
Amount payables (in respect of goods purchased and other services)																		
As at 31 March, 2018	*	**-**	**-**	**28.15**	**0.96**	**119.03**	**-**	*	**0.10**	**-**	**0.52**	**0.10**	**-**	**0.46**	**0.58**	**2.49**	**-**	**152.39**
As at 31 March, 2017	0.40	0.73	-	-	1.65	26.75	-	-	0.24	-	35.47	23.47	0.28	0.26	0.43	2.88	-	92.56
Amount receivable on account of any management contracts																		
As at 31 March, 2018	*	*	**-**	**0.33**	**0.82**	**3.64**	**29.53**	**0.52**	**-**	**-**	**-**	**0.07**	**-**	**-**	**0.06**	**-**	**-**	**34.97**
As at 31 March, 2017	-	-	-	0.54	2.60	4.15	23.90	6.48	-	-	0.11	-	-	-	0.08	-	-	37.86

Footnotes:

1. For Investment in related parties as at 31 March 2018 refer Note 7
2. For Guarantee to third parties on behalf of subsidiaries in related parties as at 31 March 2018 refer 41.1.(b)
3. The above figures do not include provision for Compensated absences and contribution to gratuity fund, as separate figures are not available for the Directors.
4. * value below ₹ 50,000.

The figures in light print are for previous year

40. Commitments

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	167.81	88.06
Commitment towards partly paid investment	9.19	-

The above commitments include ₹ 1.01 crore (2017: ₹ 1.88 crore) relating to discontinued operations.

41. Contingent liabilities and assets

41.1 Contingent liabilities

(a) 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 crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(i)	Excise, Customs and Service Tax	42.43	27.70
(ii)	Sales Tax	37.97	36.93
(iii)	Demand for utility charges	14.47	11.02
(iv)	Labour and other claims against the Company not acknowledged as debt	23.08	22.05
(v)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	451.20	274.53
(vi)	Income Tax (decided in Company's favor by Appellate authorities and Department is in further appeal)	47.15	47.15
(vii)	Contractual obligation upto	100.11	-

Item (i) to (vii)) above includes ₹ 136.65 crore (upto) (2017: ₹45.37 crore) relating to discontinued operations.

(b) Guarantees provided by the Company to third parties on behalf of subsidiaries aggregates USD 124.80 million & GBP 2.76 million (₹ 838.82 crore) (2017: USD 408.40 million & GBP 2.76 million (₹ 2,670.77 crore)).

41.2 Contingent assets

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(i)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	87.02	87.02
(ii)	Legal cases	-	0.24

42. Approval of financial statements

The financial statements were approved for issue by the board of directors on 18 May, 2018.

Signatures to notes forming part of the financial statements 1 - 42

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Independent Auditor's Report

TO THE MEMBERS OF
TATA CHEMICALS LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Tata Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries are together referred to as the 'Group') and its joint ventures, which comprise the consolidated balance sheet as at 31 March, 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow, for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

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 reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Group and its joint ventures as at 31 March, 2018 and their consolidated profit (including other comprehensive income), their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other matters

1. The comparative financial information of the Group and its joint ventures for the year ended 31 March, 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements were audited by the predecessor auditor who expressed an unmodified opinion thereon as per their report dated 26 May, 2017.

2. We did not audit the financial statements of 34 subsidiaries, included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 18,095.88 crore as at 31 March, 2018, total revenues of ₹ 6,057.39 crore and net cash inflows amounting to ₹ 273.38 crore for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 1.93 crore for the year ended 31 March, 2018 in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

   Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the reports of the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

3. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 51.16 crore for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on other Legal and Regulatory Requirements

1 As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:

   (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and

(g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:

   i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note 45 to the consolidated Ind AS financial statements;

   ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 19 and 40 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its joint ventures;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March, 2018; and

   iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made since they do not pertain to the financial year ended 31 March, 2018.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046746

Mumbai
18 May, 2018

Annexure A to the Independent Auditor's Report – 31 March, 2018

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Tata Chemicals Limited ('the Holding Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies, which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046746

Mumbai
18 May, 2018

Consolidated Balance Sheet as at 31 March, 2018

₹ in crore

	Note	As at 31 March, 2018	As at 31 March, 2017
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,987.19	3,886.75
(b) Capital work-in-progress		373.85	302.87
(c) Investment property	5	27.94	5.66
(d) Goodwill on consolidation	6	1,731.85	1,698.41
(e) Intangible assets	7	7,039.72	7,053.21
(f) Intangible assets under development		35.03	30.22
(g) Investments in joint ventures	8(a)	352.72	292.21
(h) Financial assets			
(i) Other investments	8(b)	2,395.85	2,274.70
(ii) Loans	9	9.68	8.01
(iii) Other financial assets	10	23.01	8.48
(i) Deferred tax assets (net)	21	20.81	23.67
(j) Advance tax assets (net)	23(a)	671.55	502.88
(k) Other non-current assets	11	169.89	148.92
Total non-current assets		**16,839.09**	**16,235.99**
(2) Current assets			
(a) Inventories	12	1,462.27	1,386.11
(b) Financial assets			
(i) Investments	8(c)	91.81	220.52
(ii) Trade receivables	13	1,307.86	2,092.18
(iii) Cash and cash equivalents	14	3,945.93	1,451.45
(iv) Bank balances other than (iii) above	14	537.11	213.39
(v) Loans	9	1.63	1.79
(vi) Other financial assets	10	147.12	81.94
(c) Current tax assets (net)	23(a)	34.52	15.40
(d) Other current assets	11	412.96	373.31
		7,941.21	**5,836.09**
Assets classified as held for sale and discontinued operations	24(a)	1,098.34	1,538.38
Total current assets		**9,039.55**	**7,374.47**
Total assets		**25,878.64**	**23,610.46**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	254.82	254.82
(b) Other equity	16	10,846.89	7,653.42
Equity attributable to equity share holders		**11,101.71**	**7,908.24**
Non-controlling interests	17	2,717.16	2,623.89
Total equity		**13,818.87**	**10,532.13**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	5,394.02	4,361.02
(ii) Other financial liabilities	19	29.08	30.79
(b) Provisions	20	1,675.07	1,782.03
(c) Deferred tax liabilities (net)	21	1,191.55	1,238.07
(d) Other non-current liabilities	22	66.72	60.92
Total non-current liabilities		**8,356.44**	**7,472.83**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	140.21	721.08
(ii) Trade payables		1,478.58	1,318.23
(iii) Other financial liabilities	19	993.71	2,408.17
(b) Other current liabilities	22	204.09	248.93
(c) Provisions	20	205.76	280.03
(d) Current tax liabilities (net)	23(b)	131.03	117.79
		3,153.38	**5,094.23**
Liabilities directly associated with discontinued operations	24 (b)	549.95	511.27
Total current liabilities		**3,703.33**	**5,605.50**
Total liabilities		**12,059.77**	**13,078.33**
Total equity and liabilities		**25,878.64**	**23,610.46**
Notes forming part of the consolidated financial statements	1-47		

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Consolidated Statement of Profit and Loss for the year ended 31 March, 2018

₹ in crore

		Note	Year ended 31 March, 2018	Year ended 31 March, 2017
I.	Revenue from operations	25	10,345.36	10,680.98
II.	Other income	26	159.46	166.12
III.	**Total income (I+II)**		**10,504.82**	**10,847.10**
IV.	**Expenses**			
	a) Cost of materials consumed		1,390.56	1,341.79
	b) Purchases of stock-in-trade		469.10	619.09
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(104.15)	113.39
	d) Excise duty on sale of goods		75.67	334.91
	e) Employee benefits expense	28	1,270.23	1,261.42
	f) Finance costs	29	325.58	297.29
	g) Depreciation and amortisation expense	30	518.01	512.16
	h) Other expenses	31	5,053.26	4,916.09
	Total expenses (a to h)		**8,998.26**	**9,396.14**
V.	**Profit before exceptional items, share of profit of joint ventures and tax (III-IV)**		**1,506.56**	**1,450.96**
VI.	Exceptional gain (net)	32	64.34	-
VII.	**Profit after exceptional items, before share of profit of joint ventures and tax (V+VI)**		**1,570.90**	**1,450.96**
VIII.	Share of profit of joint ventures (net of tax)	8(a)	49.23	15.62
IX.	**Profit before tax (VII+VIII)**		**1,620.13**	**1,466.58**
X.	**Tax expense**			
	(a) Current tax	33	334.99	372.13
	(b) Deferred tax	33	(274.86)	(26.18)
	Total tax expense (a+b)		**60.13**	**345.95**
XI.	**Profit for the year from continuing operations (IX-X)**		**1,560.00**	**1,120.63**
XII.	Profit before tax from discontinued operations	34	437.72	185.59
XIII.	Exceptional gain (net)	34	1,213.99	-
XIV.	Tax expense of discontinued operations	34	509.22	72.12
XV.	**Profit for the year from discontinued operations (XII+XIII-XIV)**		**1,142.49**	**113.47**
XVI.	**Profit for the year (XI+XV)**		**2,702.49**	**1,234.10**
XVII.	**Other comprehensive income (net of tax) ('OCI')**			
	(A) (i) Items that will not be reclassified to the Consolidated Statement of Profit and Loss			
	- Changes in fair value of investments in equities carried at fair value through OCI		1,017.28	410.68
	- Remeasurement of defined employee benefit plans (note 38)		183.43	(138.47)
	(ii) Income tax relating to items that will not be reclassified to the Consolidated Statement of Profit and Loss		70.79	10.33
	(B) (i) Items that will be reclassified to the Consolidated Statement of Profit and Loss			
	- Effective portion of gain/(loss) on cash flow hedges		10.94	76.26
	- Changes in foreign currency translation reserve		(31.63)	12.41
	(ii) Income tax relating to items that will be reclassified to the Consolidated Statement of Profit and Loss		0.43	1.59
	Total other comprehensive income (net of tax) (A (i-ii) +B (i-ii))		**1,108.80**	**348.96**
XVIII.	**Total comprehensive income for the year (XVI+XVII)**		**3,811.29**	**1,583.06**
XIX.	**Profit for the year from continuing operations (XI)**			
	Attributable to:			
	(i) Equity shareholders of the Company		1,290.59	879.64
	(ii) Non-controlling interests		269.41	240.99
			1,560.00	**1,120.63**
XX.	**Profit for the year from discontinued operations (XV)**			
	Attributable to:			
	(i) Equity shareholders of the Company		1,142.49	113.47
	(ii) Non-controlling interests		-	-
			1,142.49	**113.47**
XXI.	**Profit for the year (XVI)**			
	Attributable to:			
	(i) Equity shareholders of the Company		2,433.08	993.11
	(ii) Non-controlling interests		269.41	240.99
			2,702.49	**1,234.10**
XXII.	**Other comprehensive income (net of tax) (XVII)**			
	Attributable to:			
	(i) Equity shareholders of the Company		1,097.70	375.29
	(ii) Non-controlling interests		11.10	(26.33)
			1,108.80	**348.96**
XXIII.	**Total comprehensive income for the year (XVIII)**			
	Attributable to:			
	(i) Equity shareholders of the Company		3,530.78	1,368.40
	(ii) Non-controlling interests		280.51	214.66
			3,811.29	**1,583.06**
XXIV.	**Earnings per share for continuing operations (in ₹)**			
	- Basic and Diluted	35	50.66	34.53
XXV.	**Earnings per share for discontinued operations (in ₹)**			
	- Basic and Diluted	35	44.85	4.45
XXVI.	**Earnings per share for continuing and discontinued operations (in ₹)**			
	- Basic and Diluted	35	95.51	38.98
	Notes forming part of the consolidated financial statements	1-47		

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

For and on behalf of the Board

Bhaskar Bhat	Director
Nasser Munjee	Director
Dr. Y. S. P. Thorat	Director
Vibha Paul Rishi	Director
S. Padmanabhan	Director
Padmini Khare Kaicker	Director
R. Mukundan	Managing Director and CEO
Zarir Langrana	Executive Director

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31 March, 2018

a. Equity share capital (note 15)

Particulars	₹ in crore
Balance as at 31 March, 2018	254.82
Balance as at 31 March, 2017	254.82

b. Other equity (note 16) and non-controlling interests (note 17)

₹ in crore

Particulars	Other Equity										
	Reserves and surplus						Items of other comprehensive income			Total attributable to the equity shareholders of the parent	Non-controlling interests
	Capital reserve and other reserves from amalgamation	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings*	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency translation reserve		
Balance as at 1 April, 2016	**20.73**	**1,258.89**	**0.10**	**240.00**	**1,282.47**	**996.00**	**1,425.98**	**(67.95)**	**1,443.28**	**6,599.50**	**2,598.46**
Profit for the year	-	-	-	-	-	993.11	-	-	-	993.11	240.99
Other comprehensive income (net of tax)	-	-	-	-	-	(165.24)	410.68	73.55	56.30	375.29	(26.33)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**827.87**	**410.68**	**73.55**	**56.30**	**1,368.40**	**214.66**
Dividends including tax on dividend	-	-	-	-	-	(306.62)	-	-	-	(306.62)	(178.46)
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests	-	-	-	-	-	(7.86)	-	-	-	(7.86)	(10.77)
Balance as at 31 March, 2017	**20.73**	**1,258.89**	**0.10**	**240.00**	**1,282.47**	**1,509.39**	**1,836.66**	**5.60**	**1,499.58**	**7,653.42**	**2,623.89**
Profit for the year	-	-	-	-	-	2,433.08	-	-	-	2,433.08	269.41
Other comprehensive income (net of tax)	-	-	-	-	-	116.94	1,009.17	13.71	(42.12)	1,097.70	11.10
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,550.02**	**1,009.17**	**13.71**	**(42.12)**	**3,530.78**	**280.51**
Transferred to Retained earnings - sale of non-current investment	-	-	-	-	-	903.98	(903.98)	-	-	-	-
Dividends including tax on dividend	-	-	-	-	-	(337.31)	-	-	-	(337.31)	(188.51)
Changes in ownership interests in subsidiaries											
Additional infusion by NCI	-	-	-	-	-	-	-	-	-	-	1.27
Balance as at 31 March, 2018	**20.73**	**1,258.89**	**0.10**	**240.00**	**1,282.47**	**4,626.08**	**1,941.85**	**19.31**	**1,457.46**	**10,846.89**	**2,717.16**

* including remeasurement of defined employee benefit plans

Notes forming part of the consolidated financial statements - (note 1-47)

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Consolidated Statement of Cash Flows for the year ended 31 March, 2018

₹ in crore

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A	**Cash flows from operating activities**		
	Profit before tax from continuing operations	1,620.13	1,466.58
	Profit before tax from discontinued operations	1,651.71	185.59
		3,271.84	**1,652.17**
	Adjustments for :		
	Depreciation and amortisation expense	530.59	552.44
	Impairment of assets (note 34)	65.40	-
	Finance costs	388.99	472.97
	Interest income	(22.98)	(8.51)
	Dividend income	(60.31)	(65.62)
	Profit on sale of discontinued operation (note 34)	(1,279.39)	-
	Share of profit of joint ventures	(49.23)	(15.62)
	Net gain on sale of current investments	(52.70)	(2.30)
	Provision for employee benefits expense	34.33	76.88
	Provision for doubtful debts and advances/bad debts written off	55.04	3.91
	Provision for contingencies	66.75	52.85
	Liabilities no longer required written back	(24.88)	(15.19)
	Realised foreign exchange loss due to financing activities	3.87	69.41
	Unrealised foreign exchange loss/(gain) (net)	15.83	(7.93)
	Loss on assets sold or discarded (net)	10.80	4.09
	Operating profit before working capital changes	**2,953.95**	**2,769.55**
	Adjustments for :		
	Trade receivables, loans, other financial assets and other assets	(251.33)	1,115.55
	Inventories	(118.60)	427.24
	Trade payables, other financial liabilities and other liabilities	(199.18)	(329.89)
	Cash generated from operations	**2,384.84**	**3,982.45**
	Taxes paid (net of refund)	(514.70)	(451.57)
	Net cash generated from operating activities	**1,870.14**	**3,530.88**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(750.32)	(645.30)
	Proceeds from sale of property, plant and equipment	19.72	2.40
	Proceeds from sale of other non-current investments	937.38	5.19
	Proceeds from sale of current investments	14,944.94	11,019.18
	Purchase of non-current investments	(40.14)	(0.50)
	Purchase of current investments	(14,766.70)	(11,230.30)
	Purchase of investments in joint ventures	(1.91)	(13.14)
	Bank balances not considered as cash and cash equivalent	(322.59)	(194.19)
	Proceeds from sale of discontinued operations (net) (note 34)	2,593.98	-
	Proceeds from sale of subsidiaries	0.03	-
	Interest received	22.49	8.05
	Dividend received	70.13	85.96
	Consideration paid on acquisition/investment in subsidiary	-	(19.49)
	Net cash from/(used in) investing activities	**2,707.01**	**(982.14)**

Consolidated Statement of Cash Flows for the year ended 31 March, 2018

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
C	**Cash flows from financing activities**		
	Proceeds from borrowings	3,855.36	2,768.07
	Repayment of borrowings	(5,076.78)	(4,159.77)
	Repayment towards finance lease (net)	(19.18)	(19.96)
	Finance costs paid	(324.31)	(445.56)
	Contribution from non-controlling interests	1.27	0.86
	Payment to non-controlling interests	(188.51)	(178.46)
	Bank balances in dividend and restricted account	(1.13)	(1.06)
	Dividends paid including distribution tax	(336.18)	(305.56)
	Net cash used in financing activities	**(2,089.46)**	**(2,341.44)**
	Net increase in cash and cash equivalents	**2,487.69**	**207.30**
	Cash and cash equivalents as at 1 April	1,451.45	1,246.69
	Movement in cash and cash equivalents pertaining to discontinued operations	(0.96)	(0.08)
	Exchange difference on translation of foreign currency cash and cash equivalents	7.75	(2.46)
	Cash and cash equivalents as at 31 March (note 14)	**3,945.93**	**1,451.45**

Footnote:

Reconciliation of borrowings

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Non-current borrowings (note 18)	5,394.02	4,361.02
Current borrowings (note 18)	140.21	721.08
Current maturities of non-current borrowings (note19)	568.57	1,966.22
Current maturities of finance lease obligation (note 19)	5.37	23.54
Borrowings relating to discontinued operations (note 34)	310.08	370.70
Assets/(liabilities) held to hedge non-current borrowings (net)	(21.71)	(0.89)
	6,396.54	**7,441.67**
Proceeds of borrowings	3,855.36	2,768.07
Repayment of borrowings	(5,076.78)	(4,159.77)
Repayment towards finance lease (net)	(19.18)	(19.96)
Realised foreign exchange loss due to financing activities (net)	3.87	69.41
Unrealised foreign exchange gain/(loss) (net)	175.98	(336.66)
Fair value changes (net)	(20.82)	58.89
Unamortised finance cost	36.44	31.05
Movement of borrowings (net)	**(1,045.13)**	**(1,588.97)**
Notes forming part of the consolidated financial statements - (note 1-47)		

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Notes forming part of the financial statements

1. **Corporate information**

Tata Chemicals Limited (the 'Company') is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India; the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company and its subsidiaries (collectively the 'Group') is a diversified businesses dealing in inorganic chemicals, fertilisers, other agri inputs, consumer and nutritional solutions business sectors. The Group has a global presence with key subsidiaries in United States of America (USA), United Kingdom (UK) and Kenya that are engaged in the manufacture and sale of soda ash, industrial salt and related products.

2. **Summary of basis of compliance, basis of preparation and presentation, critical accounting estimates, assumptions and judgements and significant accounting policies**

2.1 Basis of compliance

The Consolidated Financial Statements ('CFS') comply, in all material aspects, with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The CFS have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or noncurrent as per the Group's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

The Group's opening Balance Sheet was prepared as at 1 April, 2015 ('Transition Date'), the Group's date of transition to Ind-AS.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the CFS requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

2.3.1 Impairment of goodwill

Goodwill is tested for impairment at least on an annual basis or more frequently, whenever circumstances indicate that the recoverable amount of the cash generating unit ('CGU') is less than its carrying value. The impairment indicators, the estimation of expected future cash flows and the determination of the fair value of CGU require the Management to make significant estimates, assumptions and judgments concerning the identification and validation of impairment indicators, fair value of tangible and intangible assets, revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc.

2.3.2 Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

Similarly, the identification of temporary differences pertaining to subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities, require the Management to make significant judgments, estimates and assumptions.

2.3.3 Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments, units-of-production and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation and amortisation charge could be revised and may have an impact on the profit of the future years.

2.3.4 Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.5 Provisions and contingencies

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgment is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

2.4 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'Functional Currency'). The CFS are presented in Indian Rupees (₹), which is the Group's presentation currency.

2.5 Basis of Consolidation

The CFS comprise the financial statements of the Company, its subsidiaries and the Group's interest in joint ventures as at the reporting date.

Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting (see (III) below).

The CFS 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 of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standard. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

II The results of subsidiaries acquired or disposed of during the year are included in the CFS from the effective date of acquisition and up to the effective date of disposal, as appropriate.

III The CFS include the share of profit / loss of the joint ventures which are accounted as per the 'equity method'.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in OCI of the investee in OCI. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

IV The CFS are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company's separate financial statements.

V Non-controlling interests ('NCI') in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the NCI, even if this results in the NCI having a deficit balance.

2.6 Foreign currency translation

(i) Foreign currency transactions and balances

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Consolidated Balance Sheet date and the resultant exchange gains or losses are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items, which are carried in terms of historical cost, denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Foreign exchange differences regarded as an adjustment to the borrowing cost are presented in the Consolidated Statement of Profit and Loss within finance cost. Exchange differences arising from the translation of equity investments at Fair value through other comprehensive income ('FVTOCI') are recognised in OCI. All other foreign exchange gains and losses are presented on a net basis within other income or other expense.

(ii) Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Consolidated Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the Consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the Consolidated Statement of Profit and Loss.

2.7 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12- Income taxes and Ind AS 19-Employee benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the aquiree, and the fair value of acquirer's previously held equity instrument in the aquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date, is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

2.8 Changes in the proportion held by NCI

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

2.9 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of asset.

All other repair and maintenance costs, including regular servicing, are recognised in the Consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE (except leasehold improvements and PPE acquired under finance lease) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements and PPE acquired under finance lease are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated.

Schedule II to the Companies Act 2013 prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of fixed assets are as given below:

Asset	Useful life
Salt Works, Reservoirs and Pans	1-30 years
Plant and Machinery**	1-60 years
Traction Lines and Railway Sidings	15 years
Factory Buildings	5-60 years
Other Buildings	5-60 years
Water Works	15 years
Furniture and Fittings and Office Equipment (including Computers and Data Processing Equipment)	1-10 years
Vehicles	4-10 years
Mines and Quarries**	140 years

** Mines and quarries and certain plant and machinery which are in relation to the USA subsidiaries mine are depreciated using the units-of-production method. Approximately 3% (previous year 4%) of plant and machinery and 100% (previous year 100%) of mines and quarries are depreciated using the units-of-production method.

Useful lives and residual values of assets are reviewed at the end of each reporting period.

Losses arising from the retirement of, and gains or losses arising from disposal/adjustments of PPE are recognised in the Consolidated Statement of Profit and Loss.

2.10 Intangible assets

Goodwill

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is not amortised; however it is tested annually for impairment and carried at cost less accumulated impairment losses, if any. The gains / (losses) on the disposal of an entity include the carrying amount of Goodwill relating to the entity disposed.

Other Intangible assets

Computer software, technical knowhow, product registration, contractual rights, rights to use railway wagons and mining rights of similar nature are initially recognised at cost. The intangible assets acquired in a business combination are measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of intangibles are as given below:

Asset	Useful life
Mining rights**	140 years
Computer software	3-8 years
Product registration, contractual rights and rights to use railway wagons	4-20 years
Technical knowhow	3 years

**Mining rights which are in relation to the USA subsidiaries mine are amortised using the units-of-production method. Approximately 99% (previous year 99%) of mining rights are amortised using the units-of-production method.

The estimated useful life is reviewed annually by the management.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

2.11 Capital work-in-progress ('CWIP') and intangible assets under development

Projects under commissioning and other CWIP/ intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably.

2.12 Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising building are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note 2.9 above. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Consolidated Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or does not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Profit and Loss in the period of de-recognition.

2.13 Research and Development Expenses

Research expenses are charged to the Consolidated Statement of Profit and Loss as expenses in the year in which they are incurred. Development costs are capitalised as an intangible asset under development when the following criteria are met:

- the project is clearly defined, and the costs are separately identified and reliably measured;
- the technical feasibility of the project is demonstrated;
- the ability to use or sell the products created during the project is demonstrated;
- the intention to complete the project exists and use or sale of output manufactured during the project;

- a potential market for the products created during the project exists or their usefulness, in case of internal use, is demonstrated, such that the project will generate probable future economic benefits; and
- adequate resources are available to complete the project.

These development costs are amortised over the estimated useful life of the projects or the products they are incorporated within. The amortisation of capitalised development costs begins as soon as the related product is released to production.

2.14 Non-current assets held for sale and discontinued operations

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Consolidated Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operation are presented separately in the Consolidated Statement of Profit and Loss.

2.15 Financial instruments

2.15.1 Investments and other financial assets:

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

  The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Consolidated Statement of Profit and Loss or through OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. The Group has elected to consider the carrying cost of equity investments in joint venture at cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

Measurement

At initial recognition, the Group measures a financial asset at its fair value (other than financial asset at fair value through profit or loss). Transaction costs that are directly attributable to the acquisition of the financial assets are added to the fair value measured on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

- **Fair value through other comprehensive income ('FVTOCI')**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are recorded through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Consolidated Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Statement of Profit and Loss. Interest income from these financial assets is included in other income using the EIR.

- **Fair value through profit or loss ('FVTPL')**

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL (unhedged) is recognised net in the Consolidated Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Consolidated Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to equity. Dividends from such investments are recognised in the Consolidated Statement of Profit and Loss within other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Derecognition of financial assets

A financial asset is derecognised only when the Group

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group transfers an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Group has transferred substantially all risks and rewards of ownership, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.15.2 Debt and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.15.3 Financial liabilities

The Group's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Consolidated Statement of Profit and Loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Presentation

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.15.4 Derivatives and hedging activities

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange, fuel and interest rate fluctuations associated with borrowings (cash flow hedges). When the Group opts to undertake hedge accounting, the Group documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Consolidated Statement of Profit and Loss on settlement. When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Consolidated Statement of Profit and Loss as the hedged item affects profit or loss.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the Consolidated Statement of Profit and Loss.

Derivatives that are not designated as hedges

When derivative contracts to hedge risks are not designated as hedges, such contracts are accounted through FVTPL.

The entire fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item exceeds 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item does not exceed 12 months.

2.15.5 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and are subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

2.15.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15.7 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

2.16 Impairment

Financial assets (other than at fair value)

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables the Group applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables.

PPE, CWIP and intangible assets

The carrying values of assets / CGUs at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / CGU is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the Consolidated Statement of Profit and Loss. The recoverable amount is the higher 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. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, consequent to which such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

Goodwill

Goodwill is tested for impairment, at least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the Goodwill is allocated to a CGU or group of CGUs, which are expected to benefit from the synergies arising from the business combination in which the said Goodwill arose.

If the estimated recoverable amount of the CGU including the Goodwill is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the unit.

2.17 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 other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes and duties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Revenue recognition

2.18.1 Sale of goods

Revenue from the sale of goods is recognised at the fair value of the consideration received or receivable, net of returns, including estimated returns where applicable, and trade discounts, rebates and related taxes, when all significant risks and rewards of ownership of the goods have been passed to the buyer, either on despatch or delivery of goods, based on the contracts.

In respect of Urea, sales are recognised based on concession rates as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by Management based on the norms prescribed or notified under the said Scheme. In case of Complex Fertilisers, sales include price concessions, as notified under the Nutrient Based Subsidy policy, or as estimated by the Management based on the norms prescribed.

2.18.2 Interest income

For all debt instruments measured either at amortised cost or at FVTOCI, interest income is recorded using the EIR Method.

2.18.3 Dividend income

Dividend income is accounted for when Group's right to receive the income is established.

2.18.4 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.

2.19 Leases

The determination of whether an agreement is, or contains, a lease based on the substance of the agreement at the date of inception.

Finance leases:

Lease arrangements in which substantially all risks and rewards of ownership of the under-lying assets are transferred to the Group, are classified as finance lease.

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating leases:

The leases which are not classified as finance lease are operating leases.

Lease arrangements where the risks and rewards of 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 over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 Employee benefits plans

2.20.1 In respect of the Company and domestic subsidiaries

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

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

Contributions to a Provident Fund are made to Trusts administered by the Group/Regional Provident Fund Commissioners and are charged to the Consolidated Statement of Profit and Loss as incurred. The Group is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Group companies.

For defined benefit schemes in the form of gratuity fund, post-retirement medical benefits, pension liabilities (including directors) and family benefit scheme, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the Consolidated Statement of Profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the Consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement Profit and Loss as past service cost.

(ii) Short-term employee benefits

The 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 which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating 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) Other 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. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the Consolidated Statement of profit and loss.

2.20.2 In respect of overseas subsidiaries, the liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries

(i) Defined contribution schemes

The USA subsidiaries sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. These subsidiaries match employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. Contributions are charged as expense as they fall due.

For the UK and Kenyan subsidiaries, the contributions payable during the period under defined contribution schemes are charged to the Consolidated Statement of Profit and Loss.

(ii) Defined benefit plans

The USA subsidiaries use standard actuarial methods and assumptions to account for pension and other post retirement benefit plans. Pension and post retirement benefit obligations are actuarially calculated using best estimates of the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age and mortality). Pension and post retirement benefit expense includes the actuarially computed cost of benefits earned during the current service period. Actuarial gains and losses are recognised in OCI in the period in which they occur.

For UK subsidiaries, the cost of providing pension benefits is actuarially determined using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in OCI in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement Profit and Loss as past service cost.

2.21 Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises cost for restructuring.

2.22 Employee separation compensation

Compensation paid / payable to employees who have opted for retirement under a Voluntary Retirement Scheme including ex-gratia is charged to the Consolidated Statement of Profit and Loss in the year of separation.

2.23 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

2.24 Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants and subsidies will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Consolidated Balance Sheet and transferred to the Consolidated Statement of Profit and Loss on systematic and rational basis over the useful lives of the related asset.

2.25 Segment reporting

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 Managing Director and Chief Executive Officer (who is the Group's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Group. 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 Group as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

2.26 Income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

Deferred tax assets include a credit for the Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT asset is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

2.27 Provisions and contingencies

A provision is recognised when the Group 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 of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.28 Dividend

Final dividend on shares are recorded as a liability, on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April, 2018. The Group is evaluating the requirements of the amendment and its effect on the Consolidated Financial Statements.

Ind AS 115- Revenue from contracts with customers:

On 28 March, 2018, Ministry of Corporate Affairs ('MCA') has notified the Ind AS 115, Revenue from contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April, 2018. The Group is evaluating the requirements of the amendment and it`s effect on the Consolidated Financial Statements.

4. Property, plant and equipment

₹ in crore

Particulars	Freehold Land	Leasehold land	Factory Buildings	Other Buildings*	Plant and Machinery	Furniture and Fittings and Office Equipments	Vehicles	Salt works, Water works, Reservoirs and Pans	Traction Lines, Railway Sidings and Wagons	Mines and Quarries#	Total
Gross Block											
Balance as at 1 April, 2016	275.73	23.66	650.25	283.68	3,264.39	102.42	16.74	25.74	23.78	155.43	4,821.82
Additions / adjustments	4.43	-	31.22	5.05	589.47	21.26	11.27	6.17	2.13	-	671.00
Disposals	-	(6.36)	(0.60)	(0.63)	(25.07)	(1.69)	(0.41)	(0.05)	(0.11)	-	(34.92)
Transferred to Discontinued operations (note 24 & 34)	(0.75)	-	(47.86)	(93.42)	(431.59)	(10.18)	(0.43)	-	(2.45)	-	(586.68)
Exchange fluctuations	(19.94)	-	(25.02)	(0.28)	(139.85)	(1.78)	(0.57)	(0.12)	(0.25)	(3.30)	(191.11)
Balance as at 31 March, 2017	**259.47**	**17.30**	**607.99**	**194.40**	**3,257.35**	**110.03**	**26.60**	**31.74**	**23.10**	**152.13**	**4,680.11**
Additions / adjustments	-	-	68.42	17.14	479.67	17.92	4.42	5.52	2.36	0.57	596.02
Disposals	-	(8.45)	(2.25)	(0.85)	(13.63)	(2.48)	(2.77)	-	-	-	(30.43)
Transferred to Investment property	(1.13)	-	-	(23.15)	-	-	-	-	-	-	(24.28)
Transfer to Discontinued operations (note 24 & 34)	-	-	(38.27)	(1.03)	(149.48)	(5.12)	(0.15)	-	(4.73)	-	(198.78)
Exchange fluctuations	15.52	-	17.73	0.06	107.68	1.03	0.10	0.09	0.10	0.77	143.08
Balance as at 31 March, 2018	**273.86**	**8.85**	**653.62**	**186.57**	**3,681.59**	**121.38**	**28.20**	**37.35**	**20.83**	**153.47**	**5,165.72**
Accumulated Depreciation											
Balance as at 1 April, 2016	-	2.45	44.43	11.91	351.33	21.20	2.42	6.76	5.61	4.08	450.19
Depreciation for the year	-	0.24	44.29	10.08	357.80	22.37	5.38	4.05	2.42	4.18	450.81
Disposals	-	(0.55)	(0.21)	(0.59)	(20.03)	(1.06)	(0.39)	-	(0.07)	-	(22.90)
Transferred to Discontinued operations (note 24 & 34)	-	-	(5.89)	(2.54)	(46.70)	(2.74)	-	-	(0.18)	-	(58.05)
Exchange fluctuations	-	-	(2.89)	(0.07)	(22.82)	(0.28)	(0.15)	(0.12)	(0.13)	(0.23)	(26.69)
Balance as at 31 March, 2017	**-**	**2.14**	**79.73**	**18.79**	**619.58**	**39.49**	**7.26**	**10.69**	**7.65**	**8.03**	**793.36**
Depreciation for the year	-	0.17	40.83	8.58	348.31	19.75	5.87	2.69	2.15	4.06	432.41
Impairment	-	-	15.10	0.44	47.06	1.01	0.06	-	1.72	-	65.39
Disposals	-	(0.75)	(0.37)	(0.09)	(8.07)	(1.59)	(2.54)	-	-	-	(13.41)
Transferred to Investment property	-	-	-	(1.92)	-	-	-	-	-	-	(1.92)
Transferred to Discontinued operations (note 24 & 34)	-	-	(21.11)	(0.52)	(96.65)	(3.24)	(0.08)	-	(2.78)	-	(124.38)
Exchange fluctuations	-	-	2.92	0.03	23.67	0.19	0.05	0.09	0.04	0.09	27.08
Balance as at 31 March, 2018	**-**	**1.56**	**117.10**	**25.31**	**933.90**	**55.61**	**10.62**	**13.47**	**8.78**	**12.18**	**1,178.53**
Net Block as at 31 March, 2017	**259.47**	**15.16**	**528.26**	**175.61**	**2,637.77**	**70.54**	**19.34**	**21.05**	**15.45**	**144.10**	**3,886.75**
Net Block as at 31 March, 2018	**273.86**	**7.29**	**536.52**	**161.26**	**2,747.69**	**65.77**	**17.58**	**23.88**	**12.05**	**141.29**	**3,987.19**

* Other buildings includes cost of residential flats aggregating ₹ 3.18 crore (2017: ₹ 1.83 crore) for which legal formalities relating to transfer of title are pending.

Pertaining to assets situated in mines and quarries.

5. Investment property

₹ in crore

Particulars	Land	Building	Total
Gross Block			
Balance as at 1 April, 2016	2.52	3.37	5.89
Disposals	(0.07)	-	(0.07)
Balance as at 31 March, 2017	**2.45**	**3.37**	**5.82**
Transferred from property, plant and equipment	1.13	23.15	24.28
Balance as at 31 March, 2018	**3.58**	**26.52**	**30.10**
Accumulated depreciation			
Balance as at 1 April, 2016	-	0.08	0.08
Depreciation for the year	-	0.08	0.08
Balance as at 31 March, 2017	**-**	**0.16**	**0.16**
Depreciation for the year	-	0.08	0.08
Transferred from property, plant and equipment	-	1.92	1.92
Balance as at 31 March, 2018	**-**	**2.16**	**2.16**
Net Block as at 31 March, 2017	**2.45**	**3.21**	**5.66**
Net Block as at 31 March, 2018	**3.58**	**24.36**	**27.94**

Footnotes:

a) **Disclosures relating to fair valuation of investment property**

Investment property carrying a net book value of ₹ 5.58 crore (2017: ₹ 5.66 crore) pertain to a domestic subsidiary and have been fair valued at ₹ 48.95 crore (2017: ₹ 48.48 crore). The Group is in the process of assessment of fair value of the investment property with a net book value of ₹ 22.36 crore (2017: ₹ Nil).

Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and relevant experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categoried as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation Technique used:

The Group obtains independent valuations of its investment property as at the year end. The fair value of the investment properties have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Group has not earned any material rental income on the above properties.

6. Goodwill on consolidation

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March,2017
Carrying value as at 1 April	1,698.41	1,761.93
Exchange fluctuations	33.44	(63.52)
Carrying value as at 31 March	**1,731.85**	**1,698.41**

Goodwill of ₹ 1,363.89 crore (2017: ₹ 1,357.09 crore) and ₹ 216.03 crore (2017: ₹ 189.39 crore) relates to the CGUs - Tata Chemicals North America Inc. and it's subsidiaries ('TCNA Group') and Cheshire Salt Holdings Limited Group and it's subsidiaries ('CSHL Group') respectively. The estimated value in use of the CGUs are based on future cash flows assuming an annual growth rate 2% to 3% for the period subsequent to the forecast period of 5 years and discount rates in the range of 6% to 8%, which consider the operating and macro-economic environment in which the entities operate.

An analysis of the sensitivity of the change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

Goodwill of ₹ 151.93 crore (2017: ₹ 151.93 crore) has been allocated to three CGUs (Individually immaterial) within the Agri Business Segments, and evaluated based on their recoverable amounts which exceeds their carrying amounts.

7. Intangible assets

₹ in crore

Particulars	Computer Software	Technical knowhow	Product registration, contractual rights and others*	Mining rights	Total
Gross Block					
Balance as at 1 April, 2016	14.13	6.84	20.52	7,376.97	7,418.46
Additions	3.36	4.53	1.41	3.81	13.11
Disposals	(0.21)	-	-	-	(0.21)
Transferred to Discontinued operations (note 24 & 34)	(1.18)	-	-	-	(1.18)
Exchange fluctuations	(0.19)	-	-	(176.22)	(176.41)
Balance as at 31 March, 2017	**15.91**	**11.37**	**21.93**	**7,204.56**	**7,253.77**
Additions	3.15	3.99	0.26	32.09	39.49
Disposals	(1.61)	-	-	(0.24)	(1.85)
Transferred to Discontinued operations (note 24 & 34)	(0.04)	-	-	-	(0.04)
Exchange fluctuations	0.06	-	-	53.66	53.72
Balance as at 31 March, 2018	**17.47**	**15.36**	**22.19**	**7,290.07**	**7,345.09**
Accumulated amortisation					
Balance as at 1 April, 2016	6.76	3.45	5.67	89.36	105.24
Amortisation for the year	2.43	2.84	5.64	90.64	101.55
Transferred to Discontinued operations (note 24 & 34)	(0.99)	-	-	-	(0.99)
Exchange fluctuations	(0.15)	-	-	(5.09)	(5.24)
Balance as at 31 March, 2017	**8.05**	**6.29**	**11.31**	**174.91**	**200.56**
Amortisation for the year	2.27	3.49	4.48	87.86	98.10
Impairment	0.01	-	-	-	0.01
Disposals	(0.04)	-	-	-	(0.04)
Transferred to Discontinued operations (note 24 & 34)	(0.02)	-	-	-	(0.02)
Exchange fluctuations	0.04	-	-	6.72	6.76
Balance as at 31 March, 2018	**10.31**	**9.78**	**15.79**	**269.49**	**305.37**
Net Block as at 31 March, 2017	**7.86**	**5.08**	**10.62**	**7,029.65**	**7,053.21**
Net Block as at 31 March, 2018	**7.16**	**5.58**	**6.40**	**7,020.58**	**7,039.72**

* Others include rights to use the wagon provided by the Ministry of Railways to carry goods at concessional freight.

8. (a) Investments in joint ventures

The Group's interest in joint ventures are accounted for using the equity method in the consolidated financial statements.

Following are details of investments in Joint ventures:

Particulars	Country of Incorporation	Percentage of ownership Interest
Indo Maroc Phosphore S.A. ('IMACID')	Morocco	33.33%
Natronx Technologies LLC	United States of America	33.30%
JOil (S) Pte. Ltd. ('JOil')	Singapore	33.78%
The Block Salt Company Ltd.	United Kingdom	50.00%

The Group had no contingent liabilities or capital commitments relating to its interest in joint ventures as at 31 March, 2018 and 2017. The joint ventures have no other contingent liabilities or capital commitments as at 31 March, 2018 and 2017.

Carrying amount of investment in joint ventures

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Indo Maroc Phosphore S.A.	351.42	293.24
Natronx Technologies LLC*	-	-
JOil (S) Pte. Ltd.*	-	-
The Block Salt Company Ltd.	2.53	2.22
Margin elimination on stock	(1.23)	(3.25)
Total	**352.72**	**292.21**

*The Group has impaired 100% investment during the year ended 31 March, 2015.

₹ in crore

Summary of movement of investment in joint ventures		Year ended 31 March, 2018	Year ended 31 March, 2017
Opening carrying value as at 1 April	A	292.21	311.55
Add/(Less):			
Additional Investment	B	1.91	13.14
Add: Share of profit of joint ventures			
Group's share of profit for the year		47.00	12.75
Margin elimination on stock		2.23	2.87
	C	**49.23**	**15.62**
Adjusted against provision made earlier for onerous contract	D	-	(9.46)
Dividend received for the year	E	(9.82)	(20.33)
Exchange fluctuations	F	19.19	(18.31)
Closing carrying value as at 31 March	A to F	**352.72**	**292.21**

8. (b) Other Investments

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Holdings	Amount	Holdings	Amount
	No of shares	₹ in crore	No of shares	₹ in crore
Investments in equity instruments (fair value through other comprehensive income)				
(i) Quoted				
Crystal Peak Minerals Inc. (footnote '1')	2,90,55,612	25.45	2,90,55,612	25.30
The Indian Hotels Co. Ltd.	1,06,89,348	138.32	89,07,790	113.04
Oriental Hotels Ltd.	25,23,000	10.53	25,23,000	8.96
Tata Investment Corporation Ltd.	4,75,840	35.01	4,75,840	30.27
Tata Steel Ltd.	28,90,693	165.07	24,91,977	120.29
Tata Steel Ltd. (Partly Paid)	1,99,358	2.80	-	-
Tata Motors Ltd.	19,66,294	64.27	19,66,294	91.60
Tata Global Beverages Ltd.	-	-	4,31,75,140	650.00
Titan Company Ltd.	1,38,26,180	1,302.84	1,38,26,180	639.82
Spartek Ceramics India Ltd.	7,226	-	7,226	-
Nagarjuna Finance Ltd.	400	-	400	-
Pharmaceuticals Products of India Limited	10,000	-	10,000	-
Balasore Alloys Ltd.	504	*	504	*
J. K. Cement Ltd.	44	*	44	*
Total quoted investment (i)		**1,744.29**		**1,679.28**
(ii) Unquoted				
The Associated Building Co. Ltd.	550	0.02	550	0.02
Taj Air Ltd.	40,00,000	-	40,00,000	-
Tata Industries Ltd.	98,61,303	170.19	98,61,303	170.19
Tata Capital Ltd.	32,30,859	16.15	32,30,859	10.79
Tata International Ltd.	48,000	137.76	48,000	124.80
Tata Projects Ltd.	1,93,500	264.48	1,93,500	210.24
Tata Services Ltd.	1,260	0.13	1,260	0.13
Tata Sons Ltd.	10,237	56.86	10,237	56.86
Tata Teleservices Ltd. (footnote '2')	12,85,110	-	12,85,110	1.51
IFCI Venture Capital Funds Ltd.	2,50,000	0.67	2,50,000	0.67
Kowa Spinning Ltd.	60,000	*	60,000	*
Global Innovation And Technology Alliance (GITA)	15,000	1.50	15,000	1.50
Water Quality India Association	7,100	0.01	7,100	0.01
Gk Chemicals And Fertilizers Limited	1,24,002	-	1,24,002	-
Biotech Consortium India Ltd.	50,000	0.05	50,000	0.05
Indian Potash Ltd.	54,000	0.01	54,000	0.01
Bharuch Enviro Infrastructure Ltd.	36,750	0.04	36,750	0.04
Narmada Clean Tech Ltd.	3,00,364	0.30	3,00,364	0.30
Cuddalore SIPCOT Industries Common Utilities Ltd.	113	*	113	*
Patancheru Enviro-Tech Ltd.	10,822	0.01	10,822	0.01
Advinus Therapeutics Ltd.	-	-	1,82,86,000	18.29
Amba Trading & Manufacturing Company Private Ltd.	1,30,000	*	1,30,000	*
Associated Inds. (Assam) Ltd.	30,000	*	30,000	*
Uniscans & Sonics Ltd.	96	*	96	*
Impetis Biosciences Ltd	5,68,414	3.38	-	-
Caps Rallis (Private) Ltd.	21,00,000	-	21,00,000	-
Total unquoted investment (ii)		**651.56**		**595.42**
Total investments (i+ii)		**2,395.85**		**2,274.70**
Aggregate amount of quoted investments (i)		1,744.29		1,679.28
Aggregate market value of quoted investments (i)		1,744.29		1,679.28
Aggregate carrying value of unquoted investments (ii)		651.56		595.42
Aggregate amount of impairment in value of Investments		1.51		-

Footnotes:

1 During the year ended 31 March, 2017, there had been a dilution in the Group's stake in Crystal Peak Minerals Inc. consequent to which the Group ceased to have significant influence. As a result, the Group has discontinued following the equity method of accounting in respect of this investment and has accounted this as investment in equity instruments at FVTOCI.

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

* value below ₹ 50,000/-

8. (c) Current investments (FVTPL)

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Investment in mutual funds - unquoted	91.81	220.52
Total current investments	**91.81**	**220.52**

9. Loans

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current (Unsecured, considered good)		
Loans to employees (footnote 'i')	1.38	1.10
Security Deposit	8.30	6.91
	9.68	**8.01**
Current (Unsecured, considered good)		
Loans to employees (footnote 'i')	0.51	0.67
Security Deposit	1.12	1.12
	1.63	**1.79**

Footnote:

(i) Loans to employees includes ₹ Nil (2017: ₹ *) due from officer of the Group. Maximum balance outstanding during the year is ₹ *(2017 : ₹ *).
* value below ₹ 50,000

10. Other financial assets

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current		
(a) Fixed deposits	0.85	0.26
(b) Deposit with others	4.56	5.01
(c) Derivatives (note 40)	17.60	3.21
	23.01	**8.48**
Current		
(a) Claim receivable - Related party (note 43)	0.13	0.19
(b) Derivatives (note 40)	45.88	25.04
(c) Accrued income	79.70	50.06
(d) Advance recoverable - Related party	16.24	-
(e) Others	5.17	6.65
	147.12	**81.94**

11. Other assets

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current		
(a) Capital advances	32.12	23.63
(b) Claim receivable	6.65	5.30
(c) Deposit with public bodies and others	37.73	40.65
(d) Prepaid expenses	26.03	27.53
(e) Net defined benefit assets (note 38)	56.94	36.92
(f) Others	10.43	14.89
	169.89	**148.92**
Current		
(a) Prepaid expenses	79.61	118.33
(b) Advance to suppliers	56.24	108.46
(c) Statutory receivables	230.51	111.75
(d) Others	46.60	34.77
	412.96	**373.31**

12. Inventories

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Raw materials (footnote 'i')	495.06	452.60
(b) Work-in-progress	102.54	112.95
(c) Finished goods	499.81	423.20
(d) Stock-in-trade (footnote 'i')	129.30	160.62
(e) Stores, spare parts and packing materials (footnote 'i')	235.56	236.74
	1,462.27	**1,386.11**

Footnotes:

(i) Inventories include goods in transit.

(ii) The cost of inventories recognised as an expense in the form of raw material consumption, change in inventory, stores consumption, trading purchases, packing material consumption, power and fuel consumption during the year in respect of the continuing operations was ₹ 3,633.10 crore (2017: ₹ 3,819.41 crore).

(iii) The cost of inventories recognised as an expense includes ₹ 16.07 crore (2017: ₹ 44.81 crore) in respect of write-down of inventories to net realisable value, and has been reduced by ₹ 7.26 crore (2017: ₹ 6.36 crore) in respect of reversal of such write-down. Reversal of previous write-downs have been largely as a result of increased selling prices of certain products.

(iv) Inventories have been offered as security against the working capital facilities provided by the bank.

13. Trade receivables

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Current		
(a) Secured considered good	94.33	67.76
(b) Unsecured considered good	1,213.53	2,024.42
(c) Doubtful	34.34	61.08
(d) Allowance for doubtful debts	(34.34)	(61.08)
	1,307.86	**2,092.18**

Footnotes:

(i) Trade receivables include ₹ Nil (2017: ₹ 870.98 crore) on account of subsidy receivable from the Government. Subsidy receivable that relates to Phosphatic Fertiliser business and Trading business are reflected in note 34.

(ii) Before accepting any new customer, the Group has appropriate levels of control procedures which ensure the potential customer's credit quality; credit limits scoring attributed to customers are reviewed periodically by Management.

(iii) Movement in allowance for doubtful debts

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	61.08	62.63
Allowance for doubtful debts pertaining to discontinued operations	(31.33)	(0.05)
Provision during the year	11.43	77.91
Reversal during the year	(7.09)	(79.32)
Exchange fluctuation	0.25	(0.09)
Balance at the end of the year	**34.34**	**61.08**

(iv) Trade receivables have been offered as security against the working capital facilities provided by the bank.

14. Cash and cash equivalents

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Balance with banks	235.61	232.60
(b) Cheques on hand	3.70	37.51
(c) Cash on hand	0.13	0.24
(d) Deposit accounts (with original maturity less than 3 months)	3,706.49	1,181.10
Cash and cash equivalents as per Statement of Cash Flow	**3,945.93**	**1,451.45**
Other bank balances:		
(a) Earmarked balances with banks	17.30	16.17
(b) Deposit accounts (other than (d) above, with original maturity less than 12 months from the balance sheet date)	519.81	197.22
	537.11	**213.39**

Footnote:

(i) Non cash transactions

The Group has not entered into any non cash investing and financing activities.

15. Equity share capital

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
(a) Authorised:				
Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
(b) Issued :				
Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
(c) Subscribed and fully paid up:				
Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
(d) Forfeited shares:				
Amount originally paid-up on forfeited shares	86,320	0.06	86,320	0.06
		254.82		**254.82**

Footnotes:

(i) The movement in number of shares and amount outstanding at the beginning and at the year end

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Issued share capital:				
Ordinary shares :				
Balance as at 1 April	25,48,42,598	254.84	25,48,42,598	254.84
Balance as at 31 March	**25,48,42,598**	**254.84**	**25,48,42,598**	**254.84**
Subscribed and paid up:				
Ordinary shares :				
Balance as at 1 April	25,47,56,278	254.76	25,47,56,278	254.76
Balance as at 31 March	**25,47,56,278**	**254.76**	**25,47,56,278**	**254.76**

(ii) Terms/ rights attached to equity shares

The Company has issued one class of ordinary shares at par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% shares.

Particulars	As at 31 March, 2018		As at 31 March, 2017	
Ordinary shares with voting rights	No. of shares	%	No. of shares	%
(i) Tata Sons Ltd.	5,97,86,423	23.47	4,93,06,423	19.35
(ii) ICICI Prudential Mutual Fund	1,54,19,534	6.05	1,80,53,193	7.09
(iii) Tata Investment Corporation Ltd.	1,52,00,001	5.97	1,52,00,001	5.97
(iv) HDFC Trustee Company Limited	1,38,30,156	5.43	*	*

* Not holding more than 5% shares

16. Other equity

₹ in crore

	Particulars	As at 31 March, 2018	As at 31 March, 2017
1	Capital reserve and other reserves from amalgamation	20.73	20.73
2	Securities premium reserve	1,258.89	1,258.89
3	Capital redemption reserve	0.10	0.10
4	Debenture redemption reserve	240.00	240.00
5	General reserve	1,282.47	1,282.47
6	Foreign currency translation reserve	1,457.46	1,499.58
7	Retained earnings	4,626.08	1,509.39
8	Equity instruments through other comprehensive income	1,941.85	1,836.66
9	Effective portion of cash flow hedges	19.31	5.60
	Total other equity	**10,846.89**	**7,653.42**

The movement in other equity

₹ in crore

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
16.1	**Capital reserve and other reserves from amalgamation**		
	Balance at the beginning of the year	20.73	20.73
	Balance at the end of the year	**20.73**	**20.73**
16.2	**Securities premium reserve**		
	Balance at the beginning of the year	1,258.89	1,258.89
	Balance at the end of the year	**1,258.89**	**1,258.89**
	Footnote: Securities premium reserve is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.		
16.3	**Capital redemption reserve**		
	Balance at the beginning of the year	0.10	0.10
	Balance at the end of the year	**0.10**	**0.10**
16.4	**Debenture redemption reserve**		
	Balance at the beginning of the year	240.00	240.00
	Balance at the end of the year	**240.00**	**240.00**
	Footnote: The Group is required to create a debenture redemption reserve out of the profits which is available for the purpose of redemption of debentures.		
16.5	**General reserve**		
	Balance at the beginning of the year	1,282.47	1,282.47
	Balance at the end of the year	**1,282.47**	**1,282.47**
	Footnote: The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.		
16.6	**Foreign currency translation reserve**		
	Balance at the beginning of the year	1,499.58	1,443.28
	Changes during the year	(42.12)	56.30
	Balance at the end of the year	**1,457.46**	**1,499.58**
	Footnote: The Foreign currency translation reserve represents all exchange differences arising from translation of financial statements of foreign operations.		

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
16.7	**Retained earnings**		
	Balance at the beginning of the year	1,509.39	996.00
	Profit for the year	2,433.08	993.11
	Remeasurement of defined employee benefit plans (net of tax)	116.94	(165.24)
	Dividends including tax on dividend	(337.31)	(306.62)
	Acquisition of non-controlling interests	-	(7.86)
	Transfer from Equity instruments through other comprehensive income	903.98	-
	Balance at the end of the year(note 'ii')	**4,626.08**	**1,509.39**

Footnotes:

(i) The amount that can be distributed by the holding company as dividends to its equity shareholders is determined based on the separate financial statements of the holding company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

The Board of Directors has recommended a dividend of 110 % (2017: 110 %) for the financial year 2017-18 and a special dividend of 110% to reflect the disposal of the Fertiliser Business, aggregating to ₹ 22 per share (2017: ₹ 11 per share). This equity dividend is subject to approval by shareholders of the Company at the Annual General Meeting and has not been included in liability in these consolidated financial statements.

(ii) Includes balance of remeasurement of net defined benefit plans loss of ₹ 785.18 crore (2017: ₹ 906.20 crore).

16.8	**Equity instruments through other comprehensive income**		
	Balance at the beginning of the year	1,836.66	1,425.98
	Changes in fair value of equity instruments at FVTOCI (net of tax)	1,009.17	410.68
	Transfer to Retained earnings	(903.98)	-
	Balance at the end of the year	**1,941.85**	**1,836.66**

Footnote:

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

16.9	**Effective portion of cash flow hedges (note 40(c))**		
	Balance at the beginning of the year	5.60	(67.95)
	Changes during the year	13.71	73.55
	Balance at the end of the year	**19.31**	**5.60**

Footnote:

The effective portion of cash flow hedges represents the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

17. Non-controlling interests ('NCI')

Subsidiaries that have material non-controlling interests share are listed below:

Name	Country of incorporation and operation	Non-controlling interests share As at 31 March, 2018	Non-controlling interests share As at 31 March, 2017
Rallis India Limited ('Rallis')	India	49.94%	49.94%
Zero Waste Agro Organics Limited #	India	-	-
Tata Chemicals (Soda Ash) Partners Holdings**	United States of America	25.00%	25.00%
Tata Chemicals (Soda Ash) Partners **	United States of America	25.00%	25.00%
PT Metahelix Lifesciences Indonesia	Indonesia	34.23%	34.23%
Alcad**	United States of America	50.00%	50.00%

During the year ended 31 March, 2017 Rallis has increased stake in Zero Waste Agro Organics Limited from 73.63% to 100%.

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

₹ in crore

Movement of non-controlling interests	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening as at 1 April	2,623.89	2,598.46
Add/(Less):		
Profit for the year	269.41	240.99
Other comprehensive income for the year	11.10	(26.33)
Dividends including tax on dividend	(188.51)	(178.46)
Additional infusion by NCI	1.27	-
Acquisition of non-controlling interests by Group	-	(10.77)
Closing as at 31 March	**2,717.16**	**2,623.89**

18. Borrowings

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
Non-current			
Secured - at amortised cost			
(a)	Term loans - bank (footnote 'a')	2,752.05	2,621.84
(b)	Term loans - others (footnote 'b')	0.72	0.70
(c)	Obligations under finance leases (note 37)	18.43	19.50
Unsecured - at amortised cost			
(a)	Non-convertible debentures (footnote 'c')	250.00	250.00
(b)	Term loans - bank (footnote 'd')	2,438.86	1,511.28
(c)	Term loans - others (footnote 'e')	0.25	0.42
(d)	Other loans (footnote 'f')	5.70	5.80
		5,466.01	**4,409.54**
	Less: Unamortised finance cost	71.99	48.52
		5,394.02	**4,361.02**
Current			
Loans repayable on demand			
Secured - from banks			
(a)	Cash/packing credits (footnote 'g')	0.61	2.81
(b)	Working capital demand loan (footnote 'h')	9.93	15.46
(c)	Suppliers' credit (footnote 'i')	-	110.00
(d)	Loan against subsidy receivable (footnote 'k')	-	85.96
Unsecured - from banks			
(a)	Working capital demand loan (footnote 'j')	73.54	206.37
(b)	Suppliers' credit (footnote 'i')	56.13	300.48
		140.21	**721.08**

Footnotes:

(a) (i) Secured term loans owed by Tata Chemicals Europe Holdings Limited ('TCEHL') Group:

The senior debt owed by TCEHL was refinanced in March, 2018 amounting to ₹ 738.22 crore (2017: ₹ 932.00 crore) (£ 80 million 2017: £120 million). Interest is calculated at London Interbank Offered Rate ('LIBOR') plus 1.15% per annum (2017: 1.99% per annum) under the terms of the loan. During the previous year ended 31 March, 2017, an amount of ₹ 19.42 crore (£ 2.40 million) had been disclosed in note 19 within the heading current maturity of non-current borrowings under other financial liabilities (current).

The senior debt owed by Tata Chemicals Europe Limited comprising a revolving credit facility was refinanced in March, 2018. A maximum of £ 20 million can be drawn down under the facility, of which ₹ 83.05 crore (2017: ₹ 161.81 crore) (2018: £ 9 million and 2017: £ 20 million) had been drawn down as at 31 March, 2018. Interest on this facility is payable at LIBOR plus 1.15% per annum (2017: 1.99% per annum).

The debt facilities are secured by fixed and floating charges over the assets of the European sub-group. Both the above loans are repayable in full in March 2023.

(ii) Secured term loans owed by Cheshire Salt Holdings Limited ('CSHL') Group:

As part of the senior debt refinancing by the TCEHL group in March 2018, a separate term loan was taken out by CSHL and its subsidiaries, amounting to ₹ 461.39 crore (2017: ₹ Nil) (£ 50 million). Interest is calculated at LIBOR plus 1.35% per annum under the terms of the loan.

The senior debt owed by CSHL also comprises a revolving credit facility of maximum £5 million, unutilised as at 31 March, 2018. Interest on this facility is payable at LIBOR plus 1.35% per annum.

The debt facilities are secured by fixed and floating charges over the assets of the sub-group. Both the above loans are repayable in full by March 2023.

(iii) Secured term loans owed by Tata Chemicals North America ('TCNA') Group:

Secured term loans of TCNA comprise of a USD 315 million term loan ('Term loan') and a USD 25 million revolving line of credit ('Revolver').

The term loans are secured by a first-priority interest in the TCNA's 75% interest in TCSAPH, the TCNA's assets, and equity interest in foreign subsidiaries. As at 31 March, 2018, the debt outstanding under this agreement was ₹ 1,468.39 crore (2017: ₹ 1,593.81 crore) (2018: USD 225.30 million and 2017: USD 245.77 million). Out of the same the amount repayable within one year ₹ Nil (2017: ₹ 67.89 crore), has been disclosed in note 19 within the heading current maturity of long term debt under other financial liabilities (current). The Term loan and Revolver mature on 9 August, 2020 and 9 August, 2018 respectively.

The borrowing under this facility bears interest at either LIBOR plus applicable margin or an alternate base rate based upon the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBOR for a one month Interest Period on such day plus 1%. The applicable margin on the Term loan and Revolver is 2.75% per annum on LIBOR borrowings and 1.75% per annum on alternate base rate loans.

(iv) Secured term loans owed by Metahelix Life Sciences Limited ('Metahelix'):

Term loan is secured by first and exclusive charge on plant and equipment of Metahelix purchased out of the bank's term loan. The balance outstanding as at 31 March, 2018 is ₹ 0.61 crore (2017: ₹ 1.83 crore) (of which ₹ 0.61 crore (2017: ₹ 1.22 crore) has been disclosed in note 19 within the heading current maturity of non-current borrowings under other financial liabilities (current)) which is repayable in balance 6 monthly installments. Rate of interest on this loan is 10.50% per annum.

The other term loan is secured by a first charge on entire movable fixed assets and agricultural property funded by the bank. The balance outstanding as at 31 March, 2018 is ₹ 1.50 crore (2017: ₹ 2.00 crore) (of which ₹ 0.50 crore (2017: ₹ 0.50 crore) has been disclosed in note 19 within the heading current maturity of non-current borrowings under other financial liabilities (current)) repayable in 12 equated quarterly installments of ₹ 0.13 crore. The rate of interest on this loan is 7.50% per annum.

(b) Debt owed by Metahelix:

Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of Metahelix, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments from December 2015 and June 2017. The balance payable as on 31 March, 2018 is ₹ 0.97 crore (2017: ₹ 0.80 crore) of which ₹ 0.25 crore (2017: ₹ 0.10 crore) has been disclosed in note 19 within the heading current maturity of long term debt under other financial liabilities (current). Rate of interest on this loan is 2% per annum.

(c) Unsecured redeemable Non-convertible debentures having face value of ₹ 10 lakhs each are redeemable at par on 2 July, 2019 and bears interest rate of 10% per annum.

(d) (i) The External Commercial Borrowings ('ECB') are due for repayments on 21 October, 2019 ₹ 413.60 crore (2017: ₹ 411.54 crore) (USD 63.46 million) and bear interest of LIBOR plus spread of 1.95%, payable semiannually. Current portion due for repayment within one year is ₹ 412.36 crore (2017: ₹ 410.31 crore (USD 63.27 million)) and bears interest of LIBOR plus spread of 1.95% (2017: LIBOR plus spread of 1.95%), payable semiannually. This has been disclosed in note 19 within the heading current maturity of long term debt under other financial liabilities (current).

(ii) Debt owed by Homefield Pvt UK Limited:

Term Loan USD 45 Million: The amounts outstanding were ₹ 293.29 crore (USD 45 million) (2017: ₹ 289.52 crore(USD 45 million)). The loan is repayable in full in March 2020. Interest on this loan is payable based on USD LIBOR plus a margin of 1.50% per annum.

(iii) Term Loan USD 28.50 Million: The amounts outstanding were ₹ 185.75 crore (USD 28.50 million) for the year ended 31 March, 2018 (2017: ₹ 181.57 crore, USD 28 million). This loan has been refinanced in March 2018 and is now repayable in full in March 2023. Interest on this loan is payable based on USD LIBOR plus a margin of 1.15% per annum.

During the previous year ended 31 March, 2017, the entire loan amounting to ₹ 181.57 crore has been disclosed in note 19 within the heading current maturities of non-current borrowings under Other financial liabilities (current).

(iv) Debt owed by Rallis India Limited:

Loan of ₹ 15 crore is repayable in 20 quarterly instalments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 0.75 crore falls due in May 2018. Rate of interest for this borrowing is 8.35%. The balance outstanding is ₹ 15 crore of which ₹ 3 crore has been grouped under Other financial liabilities (current).

(v) Debt owed by Tata Chemicals Magadi Limited ('TCML'):

The outstanding loan as at the year end is ₹ 384.53 crore (USD 59 million) (2017: ₹ 382.61 crore (USD 59 million)). The loan is repayable in instalments commencing July 2018 and ending July 2020. Interest on this loan is payable based on USD LIBOR plus a margin of 1.80% per annum. Out of the same amount of ₹ 153.82 crore (USD 23.60 million) (2017: ₹ Nil), has been disclosed in note 19 within current maturities of non-current borrowings under Other financial liabilities (current).

(vi) Tata Chemicals International Pte. Limited ('TCIPL') loan of USD 200 million was refinanced during the year. The outstanding amount as on 31st March, 2018 is ₹ 1,303.50 crore (USD 200 million). As on 31 March, 2017, loan amount ₹ 1,297.00 crore (USD 200 million), has been disclosed in note 19 within the heading current maturity of long term debt under other financial liabilities (current). The loan bear an effective interest rate of 2.97%. The loan is repayable in full on 12 December, 2022.

(e) Debt owed by Metahelix:

Term loan from Council of Scientific and Industrial Research: The balance payable as on 31 March, 2018 is ₹ 0.33 crore (2017: ₹ 0.42 crore) of which an amount of ₹ 0.08 crore (2017: ₹ Nil) has been disclosed in note 19 within the heading current maturity of long term debt under other financial liabilities (current). The same is repayable alongwith interest in 7 annual installments. The loan bears interest of 3% per annum.

(f) Debt owed by Rallis India Limited:

Sales Tax Deferral Scheme: The loan is repayable in annual installments which range from a maximum of ₹ 1.13 crore to a minimum of ₹ 0.08 crore over the period stretching from 1 April, 2016 to 31 March, 2027. The amount outstanding is free of interest. The balance outstanding as at 31 March, 2018 is ₹ 5.78 crore (2017: ₹ 5.88 crore), out of which ₹ 0.08 crore (2017 : ₹ 0.10 crore) has been disclosed in note 19 within the heading current maturity of long term debt under other financial liabilities (current).

(g) Loans from banks on Cash Credit carry an interest ranging from 8.30% p.a. to 9.00% p.a. and are secured by way of hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.

(h) (i) Debt owed by TCML:

Outstanding loan of ₹ 9.78 crore (2017: ₹ 12.97 crore) (2018: USD 1.50 million and 2017: USD 2 million). It is a secured overdraft facility against dues receivable from Kenyan Revenue Authority.

(ii) Debt owed by Rallis India Limited:

Loan of ₹ 0.15 crore (2017: ₹ 2.49 crore) is secured by first paripassu charge on stock (including raw material, finished goods and work-in-progress) and book debts and carries a weighted average interest of 8.47% per annum.

(i) Suppliers' credit:

As at 31 March, 2018: Unsecured Supplier's credit repayable on demand bears interest ranging from 1.70% to 1.90% per annum.

As at 31 March, 2017: Supplier's credit due for payment within 180 days bears interest of LIBOR plus spread of 1.31% per annum secured against current assets.

(j) (i) Debt owed by TCIPL:

₹ 73.54 crore (2017: ₹ 146.37 crore)(2018: USD 11.28 million and 2017: USD 22.57 million) is towards unsecured working capital facility and is repayable within 90 days. Interest is charged at 2.60% to 3.03% (2017: 1.20% to 1.35%) per annum over US$ LIBOR.

(ii) Unsecured term loan includes ₹ Nil (2017: ₹ 10 crore) owed by Metahelix Life Sciences Limited repaid in May, 2017.

(iii) Unsecured working capital demand loan of ₹ Nil (2017: ₹ 50 crore) was availed by TCL (repaid in May 2017). The loan bears interest of one month T-bill plus 0.05% per annum.

(k) For the previous year ended 31 March, 2017, 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 the State Bank of India Consortium (SBI Consortium). Loans under this scheme are secured by hypothecation of subsidy receivables.

Fixed interest rate of 8.00% per annum out of which 6.25% per annum shall be borne by the government and repaid in April 2017. The remaining 1.75% per annum shall be borne by the Company and will be recovered upfront for 60 days from the Company at the time of disbursement of the facility.

19. Other financial liabilities

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
Non-current			
(a)	Derivatives (note 40)	11.87	10.79
(b)	Deposit payable	6.07	5.58
(c)	Others	11.14	14.42
		29.08	**30.79**
Current			
(a)	Current maturities of non-current borrowings (note 18)		
	(i) From Banks - Secured	1.11	89.03
	(ii) From Banks - Unsecured	569.18	1,888.88
	(iii) From Others - Secured	0.25	0.10
	(iv) From Others - Unsecured	0.16	0.28
		570.70	**1,978.29**
	Less: Unamortised cost of Borrowings	2.13	12.07
		568.57	**1,966.22**
(b)	Current maturities of finance lease obligations (note 37)	5.37	23.54
(c)	Interest accrued	38.92	45.23
(d)	Creditors for capital goods	102.38	117.24
(e)	Unclaimed dividend	17.34	16.21
(f)	Unclaimed debenture interest	0.01	0.01
(g)	Derivatives (note 40)	19.38	36.31
(h)	Security deposits from customers	42.55	49.63
(i)	Others	199.19	153.78
		993.71	**2,408.17**

20. Provisions

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current		
(a) Provision for employee benefits		
(i) Pension and other post retirement benefits (note 38)	1,398.08	1,514.19
(ii) Others	4.29	3.82
	1,402.37	**1,518.01**
(b) Other provisions (footnote 'i')	272.70	264.02
	1,675.07	**1,782.03**
Current		
(a) Provision for employee benefits		
(i) Pension and other post retirement benefits (note 38)	47.78	42.35
(ii) Others	85.75	86.74
	133.53	**129.09**
(b) Other provisions (footnote 'i')	72.23	150.94
	205.76	**280.03**

Footnote:

(i) Other provisions include:

₹ in crore

Particulars	Asset retirement obligation (1)	Provision for emission allowance (2)	Provision for warranty (3)	Provision for restructuring expenses (4)	Others (5)	Total
Balance as at 1 April, 2016	162.64	14.07	0.28	21.54	216.54	415.07
Provision pertaining to discontinued operations	(3.12)	-	-	-	-	(3.12)
Provisions recognised during the year	9.77	25.69	0.33	-	17.06	52.85
Payments/utilisations/surrenders during the year	(5.93)	(26.09)	(0.22)	(4.62)	(2.24)	(39.10)
Exchange fluctuations	(3.38)	(2.11)	-	(2.94)	(2.31)	(10.74)
Balance as at 31 March, 2017	**159.98**	**11.56**	**0.39**	**13.98**	**229.05**	**414.96**
Provision pertaining to discontinued operations	-	-	-	-	(92.29)	(92.29)
Provisions recognised during the year	9.64	47.04	0.32	-	9.75	66.75
Payments/utilisations/surrenders during the year	(2.45)	(44.53)	(0.15)	(2.28)	(0.04)	(49.45)
Exchange fluctuations	0.83	1.79	-	1.79	0.55	4.96
Balance as at 31 March, 2018	**168.00**	**15.86**	**0.56**	**13.49**	**147.02**	**344.93**
Balance as at 31 March, 2017						
Non-current	144.29	-	-	13.98	105.75	264.02
Current	15.69	11.56	0.39	-	123.30	150.94
Total	**159.98**	**11.56**	**0.39**	**13.98**	**229.05**	**414.96**
Balance as at 31 March, 2018						
Non-current	152.11	-	-	13.49	107.10	272.70
Current	15.89	15.86	0.56	-	39.92	72.23
Total	**168.00**	**15.86**	**0.56**	**13.49**	**147.02**	**344.93**

Nature of provisions:

(1) Provision for asset retirement obligation represents site restoration expense and decommissioning charges in India and cost towards reclamation of the mine and land upon the termination of the partnership in USA. The timing of the outflows is expected to be within a period of 1 to 96 years from the date of consolidated balance sheet.

(2) Provision for emission allowance represents obligations to surrender carbon emission allowances to the Environment agency in UK.

(3) Provision for warranty represents certain products that fail to perform satisfactorily during the warranty period. Provision made as at respective year ends represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of one year from the date of consolidated balance sheet.

(4) Provision for restructuring expenses represents costs to be incurred following the closure of plants in UK and Netherlands and committed expenditure to demolish redundant power facilities owned by the Group in UK.

(5) Provision for others represents management's best estimate of outflow of economic resources in respect of water charges, entry tax, land revenue and other disputed items including direct taxes, indirect taxes and other claims. The timing of outflows is uncertain and will depend on the cessation of the respective cases.

21. Deferred tax assets (net) and liabilities (net)

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Deferred tax assets (net) (footnote 'i')	20.81	23.67
(b) Deferred tax liabilities (net) (footnote 'ii')	(1,191.55)	(1,238.07)

Footnotes:

(i) Deferred tax assets (net)

Particulars	As at 1 April, 2017	Recognised in the Consolidated Statement of Profit or Loss (continuing operations)	Recognised in the Consolidated Statement of Profit or Loss (discontinued operations)	Recognised in other comprehensive income	Tax Receivables	Exchange fluctuations	As at 31 March, 2018
Deferred tax assets/(liabilities) in relation to:							
Property, plant and equipments and intangible asset	(10.13)	(1.53)	-	-	-	-	(11.66)
Allowance for doubtful debts and advances	3.33	0.17	-	-	-	-	3.50
Defined benefit obligation	0.55	0.07	-	-	-	-	0.62
Others	0.01	0.02	-	-	-	-	0.03
	(6.24)	**(1.27)**	**-**	**-**	**-**	**-**	**(7.51)**
Tax losses	16.68	(8.96)	-	-	-	-	7.72
Unused credits	13.23	7.37	-	-	-	-	20.60
	23.67	**(2.86)**	**-**	**-**	**-**	**-**	**20.81**

Particulars	As at 1 April, 2016	Recognised in the Consolidated Statement of Profit or Loss (continuing operations)	Recognised in the Consolidated Statement of Profit or Loss (discontinued operations)	Recognised in other comprehensive income	Tax Receivables	Exchange fluctuations	As at 31 March, 2017
Deferred tax assets/(liabilities) in relation to:							
Property, plant and equipments and intangible asset	(8.43)	(1.70)	-	-	-	-	(10.13)
Allowance for doubtful debts and advances	2.02	1.31	-	-	-	-	3.33
Defined benefit obligation	0.62	(0.07)	-	-	-	-	0.55
Others	0.37	(0.40)	-	-	-	0.04	0.01
	(5.42)	**(0.86)**	**-**	**-**	**-**	**0.04**	**(6.24)**
Tax losses	14.38	2.30	-	-	-	-	16.68
Unused Credits	-	13.23	-	-	-	-	13.23
	8.96	**14.67**	**-**	**-**	**-**	**0.04**	**23.67**

(ii) Deferred tax liabilities (net)

Particulars	As at 1 April, 2017	Recognised in the Consolidated Statement of Profit or Loss (continuing operations)	Recognised in the Consolidated Statement of Profit or Loss (discontinued operations)	Recognised in other comprehensive income	Tax Receivables	Exchange fluctuations	As at 31 March, 2018
Deferred tax assets/(liabilities) in relation to:							
Property, plant and equipments and intangible asset	(1,402.23)	22.19	0.11	-	-	(4.24)	(1,384.17)
Allowance for doubtful debts and Advances	22.09	1.74	17.09	-	-	-	40.92
Accrued expenses allowed in the year of payment	116.05	(26.08)	4.64	(20.59)	-	-	74.02
Finance lease	2.52	(1.67)	(1.26)	-	-	-	(0.41)
Financial assets at FVTOCI	-	5.53	-	-	-	-	5.53
Partnership tax basis differences for USA Subsidiaries	(131.03)	105.84	-	(12.96)	-	0.38	(37.77)
Defined benefit obligation	180.94	(108.07)	-	(37.25)	-	(0.73)	34.89
Alternative Minumum Tax ('AMT') Credit (note 33)	-	268.63	-	-	(178.83)	3.00	92.80
Others	(26.41)	9.61	-	(0.42)	-	(0.14)	(17.36)
	(1,238.07)	**277.72**	**20.58**	**(71.22)**	**(178.83)**	**(1.73)**	**(1,191.55)**

Particulars	As at 1 April, 2016	Recognised in the Consolidated Statement of Profit or Loss (continuing operations)	Recognised in the Consolidated Statement of Profit or Loss (discontinued operations)	Recognised in other comprehensive income	Tax Receivables	Exchange fluctuations	As at 31 March, 2017
Deferred tax assets/(liabilities) in relation to:							
Property, plant and equipments and intangible asset	(1,465.92)	53.51	(12.56)	-	-	22.74	(1,402.23)
Allowance for doubtful debts and Advances	31.30	(9.52)	0.31	-	-	-	22.09
Accrued expenses allowed in the year of payment	87.08	15.87	(4.12)	17.22	-	-	116.05
Finance lease	9.38	(6.86)	-	-	-	-	2.52
Partnership tax basis differences for USA Subsidiaries	(110.07)	(24.09)	-	-	-	3.13	(131.03)
Defined benefit obligation	204.87	7.24	-	(27.55)	-	(3.62)	180.94
Others	(0.43)	(24.64)	-	(1.59)	-	0.25	(26.41)
	(1,243.79)	**11.51**	**(16.37)**	**(11.92)**	**-**	**22.50**	**(1,238.07)**

22. Other liabilities

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
Non-current			
(a)	Deferred income (including government grants)	29.22	27.89
(b)	Others	37.21	33.03
		66.72	**60.92**
Current			
(a)	Statutory dues	105.07	122.48
(b)	Advance received from customers	81.67	106.16
(c)	Deferred income (including government grants and emission trading allowance)	12.71	13.91
(d)	Others	4.64	6.38
		204.09	**248.93**

23. Tax assets and liabilities

₹ in crore

Particulars			As at 31 March, 2018	As at 31 March, 2017
(a)	**Tax assets**			
	Non-current			
	(i)	Advance tax assets (net)	671.55	502.88
	Current			
	(i)	Current tax assets (net)	34.52	15.40
(b)	**Current tax liabilities (net)**		131.03	117.79

24. Held for sale and discontinued operations

₹ in crore

Particulars			As at 31 March, 2018	As at 31 March, 2017
(a)	**Assets classified as held for sale and discontinued operations**			
	(i)	Assets held for sale (footnote 'i')	12.65	5.92
	(ii)	Discontinued operations (footnote 'ii')	1,085.69	1,532.46
			1,098.34	**1,538.38**
(b)	**Liabilities directly associated with discontinued operations**			
	(i)	Discontinued operations (footnote 'ii')	549.95	511.27
			549.95	**511.27**

Footnotes:

(i) The Group intends to surrender the leasehold land which it no longer intends to utilise in the next 12 months. The Group is currently in discussion with appropriate authorities in this direction. No impairment loss was recognised on reclassification of the assets as held for sale nor as at reporting date, as the management expects that the fair value (estimated based on the surrender value) less cost to surrender is higher than the carrying amount.

During the current year, the Group disposed off the assets amounting to ₹ 0.16 crore classified as assets held for sale as at 31 March, 2017.

(ii) Discontinued operations comprise of assets and liabilities of Phosphatic Fertilisers business and Trading Business as at 31 March, 2018 and of Urea and Customised Fertiliser business as at 31 March, 2017 (note 34).

25. Revenue from operations

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Sales of products	10,256.63	10,546.94
(b)	Other operating revenues		
	(a) Liabilities no longer required-written back	6.09	13.99
	(b) Miscellaneous income (footnote 'i')	82.64	120.05
		10,345.36	**10,680.98**

Footnote:

(i) Miscellaneous income primarily includes sales of scrap of ₹ 39.58 crore (previous year ₹ 35.40 crore) and compensation of ₹ Nil (previous year ₹ 43.79 crore) from settlement of long term contracts.

26. Other income

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Dividend income		
	(i) Current investments measured at FVTPL	33.25	51.84
	(ii) Non-current investments measured at FVTOCI	27.06	13.78
		60.31	**65.62**
(b)	Interest income from financial assets at amortised cost		
	(i) On bank deposits	15.90	3.74
	(ii) Other interest	6.74	4.73
		22.64	**8.47**
(c)	Interest on refund of taxes	16.01	52.24
(d)	Others		
	(i) Rental income	2.21	2.12
	(ii) Gain on sale/redemption of investments (net)	52.70	2.30
	(iii) Miscellaneous income (footnote 'i')	5.59	35.37
		60.50	**39.79**
		159.46	**166.12**

Footnote:

(i) For the previous year ended 31 March, 2017, Miscellaneous income primarily includes profit on assignment of leasehold rights.

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening stock		
Work-in-progress	112.95	119.72
Finished goods	423.20	612.86
Stock-in-trade (acquired for trading)	160.62	323.54
	696.77	**1,056.12**
Closing stock		
Work-in-progress	102.54	112.95
Finished goods	499.81	423.20
Stock-in-trade (acquired for trading)	129.30	160.62
	731.65	**696.77**
Less: Inventory on account of Discontinued operations	(133.62)	(299.18)
Exchange fluctuations	64.35	53.22
Total inventory change	**(104.15)**	**113.39**

28. Employee benefits expense

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Salaries, wages and bonus	999.42	985.51
(b) Contribution to provident and other funds	99.74	93.44
(c) Staff welfare expense	171.07	182.47
	1,270.23	**1,261.42**

29. Finance costs

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Interest costs		
(i) Interest on loans at amortised cost	255.32	331.66
(ii) Interest on obligations under finance leases	2.42	2.42
(b) Translation differences (footnote 'I')	(18.30)	(129.60)
(c) Discounting and other charges	86.14	92.81
	325.58	**297.29**

Footnote:

(i) Translation differences on foreign currency loans regarded as borrowing cost net of changes in fair value of derivative contracts.

30. Depreciation and amortisation expense

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Depreciation of property, plant and equipment	419.84	410.86
(b)	Depreciation of Investment property	0.08	0.08
(c)	Amortisation of intangible assets	98.09	101.22
		518.01	**512.16**

31. Other expenses

₹ in crore

Particulars			Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Stores and spare parts consumed		270.93	250.12
(b)	Packing materials consumed		334.15	331.95
(c)	Power and fuel		1,272.51	1,163.07
(d)	Repairs	- Buildings	11.55	8.99
		- Machinery	335.19	377.27
		- Others	8.90	8.48
(e)	Rent		154.11	163.12
(f)	Royalty, rates and taxes		347.46	321.94
(g)	Excise duty adjustment for stocks		(3.66)	2.99
(h)	Distributor's service charges		21.40	22.05
(i)	Sales promotion expenses		159.95	193.59
(j)	Insurance charges		32.22	33.01
(k)	Freight and forwarding charges		1,578.73	1,530.48
(l)	Loss on assets sold, discarded or written off		10.61	2.69
(m)	Bad debts written off		3.27	2.45
(n)	Provision for doubtful debts and advances (net)		8.71	4.30
(o)	Foreign exchange loss (net)		10.69	19.62
(p)	Director's fees and commission		10.64	9.71
(q)	Others		485.90	470.26
			5,053.26	**4,916.09**

32. Exceptional gains (net)

Exceptional gains (net) relate to operations at Tata Chemicals North America, Inc. and it's Subsidiaries ('TCNA') for the year ended 31 March, 2018. These include:

(a) A gain of ₹ 82.80 crore, based on actuarial valuation, on account of changes announced to certain Post Retiral Medical Plans.

(b) An estimated charge of ₹ 18.46 crore payable on account of severance package offered to employees.

33. Income tax expense relating to continuing operations

₹ in crore

Particulars			Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	**Tax expense**			
	(i)	Current tax		
		In respect of the current year	334.99	375.31
		In respect of earlier years	-	(3.18)
			334.99	**372.13**
	(ii)	Deferred tax		
		In respect of the current year (footnote 'i')	(274.86)	(26.18)
			(274.86)	**(26.18)**
	Total tax expense		**60.13**	**345.95**

Footnote:

(i) As a result of changes in income tax legislation in USA, the TCNA Group recognised a deferred tax gain of ₹ 251.63 crore in Consolidated Statement of Profit and Loss (as deferred tax) and loss of ₹ 44.70 crore in other comprehensive income (Items that will not be reclassified to the Consolidated Statement of Profit and Loss) during the year ended 31 March, 2018.

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(b)	**The income tax expenses for the year can be reconciled to the accounting profit as follows:**		
	Profit before tax from continuing operations	1,620.13	1,466.58
	Income tax expenses calculated at 34.608 % (Company's domestic tax rate)	560.69	507.55
	Differences in tax rates in foreign jurisdictions	(54.17)	(32.96)
	Share of profit of equity accounted investees	(17.62)	(5.70)
	Effect of income that is exempt from taxation	(36.99)	(36.18)
	Effect of not deductible expenses for tax computation	25.09	28.82
	Effect of concessions (research and development and other allowances)	(73.45)	(105.40)
	Effect of Income classified to discontinued operations from continuing operations	-	(3.45)
	Effect of change in rate of recording deferred tax for discontinued operations	-	(10.63)
	Others	(19.79)	(21.65)
		383.77	**320.40**
	Tax Reform - Tax Rate Change	(41.10)	-
	Alternative Minimum Tax - differential	(260.94)	34.98
	Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(21.60)	(9.43)
	Total income tax expense recognised for the year relating to continuing operations	**60.13**	**345.95**

34. Discontinued operations

(I) Disposal of urea and customised fertilisers business

During the previous year, the Group entered into an agreement with Yara Fertilisers India Private limited ('Yara India') to transfer its Urea Business (which comprises of manufacturing facilities for urea and customised fertilisers at Babrala, Uttar Pradesh), by way of a slump sale.

On 12 January, 2018, the Group consummated the sale and transfer of its Urea and Customised Fertilisers Business to Yara India as contemplated in the Scheme of Arrangement dated 10 August, 2016. The pre-tax gain of ₹ 1,279.39 crore for the year ended 31 March, 2018 is included under exceptional gain for discontinued operations.

(II) Disposal of Phosphatic Fertilisers business and Trading business of bulk and non-bulk fertilisers

The Group has entered into an agreement with IRC Agrochemicals Private limited ('IRC') and Indorama Holdings BV, Netherlands (Parent company of IRC) to transfer its Phosphatic Fertilisers business and Trading business (which comprises of manufacturing facilities for phosphatic fertilisers at Haldia Plant), by way of a slump sale for a consideration of ₹ 375.00 crore (subject to certain adjustments). The effect of the transfer will be reflected in the financial information of the period in which the deal is consummated post receipt of all the requisite regulatory approvals.

The financial performance and cash flows for Urea Business (till the date of sale) and Phosphatic Fertilisers business and Trading business of bulk and non-bulk fertilisers:

(a) Analysis of profit from discontinued operations

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year from discontinued operations		
Revenue from operations (footnote 'i')	4,086.91	4,616.80
Other income	0.34	0.04
	4,087.25	**4,616.84**
Expenses		
Depreciation	12.58	40.28
Other expenses	3,636.95	4,390.97
Profit before exceptional item and tax	**437.72**	**185.59**
Exceptional gain (net)		
Profit on sale of discontinued operation	1,279.39	-
Impairment of assets (footnote 'ii')	(65.40)	-
Profit before tax	**1,651.71**	**185.59**
Tax expense	167.60	72.12
Tax on sale of discontinued operations	341.62	-
Profit after tax	**1,142.49**	**113.47**

Footnotes:

(i) Revenue from operations includes subsidy income of ₹ 1,979.51 crore (2017: ₹ 2,012.42 crore)

(ii) The shortfall between the carrying value of net PPE and the recoverable value.

(b) Net cash flows attributable to the discontinued operations

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Net cash (outflows)/inflows from operating activities	240.47	3.25
Net cash used in investing activities	(29.58)	(26.93)
Net cash (outflows)/inflows from financing activities	(209.99)	23.88
Net cash inflows	**0.90**	**0.20**

(c) Book value of assets and liabilities of discontinued operations:

₹ in crore

Particulars	Phosphatic Fertilisers business and Trading business As at 31 March, 2018	Urea and customised fertilisers business As at 31 March, 2017
Property, plant and equipment and intangible assets (Including CWIP)	75.05	529.10
Non-current financial assets	-	0.80
Other non-current assets	29.27	10.12
Inventories	149.80	126.68
Trade receivables (including subsidy of ₹ 802.10 crore (2017 : ₹ 813.43 crore)) (footnote 'ii')	808.23	834.42
Cash and cash equivalents	1.04	0.08
Current financial assets	0.04	0.17
Other current assets	22.26	31.09
Total Assets (A)	**1,085.69**	**1,532.46**
Non-current financial liabilities - provisions	1.54	6.88
Borrowings (footnote - 'i' and 'ii')	310.08	370.70
Trade payables	112.26	89.06
Other financial liabilities	18.57	26.54
Other current liabilities	8.32	6.39
Current liabilities - provisions	99.18	11.70
Total Liabilities (B)	**549.95**	**511.27**
Net assets (A - B)	**535.74**	**1,021.19**

Footnotes:

(i) (a) 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 the State Bank of India Consortium (SBI Consortium). Loans under this scheme are secured by hypothecation of subsidy receivables.

Fixed interest rate of 7.80 % per annum out of which 6.84% per annum shall be borne by the Government and repaid in April 2018. The remaining 0.96% per annum shall be borne by the Group and will be recovered upfront for 60 days from the Group at the time of disbursement of the facility. Balance as at 31 March, 2018 : ₹ 307.95 crore (2017 : ₹ 370.70 crore).

(b) Cash credit (Secured) of ₹ 2.13 crore (2017: ₹ *)

* value below ₹ 50,000

(ii) Subsidy receivables and borrowings related to Phosphatic fertilisers and Trading business along with the related revenue and expenses are disclosed as discontinued operations. These receivables and borrowings will not be transferred on disposal of business.

(d) Gain on disposal of urea and customised fertilisers business

₹ in crore

Particulars	Year ended 31 March, 2018
Cash consideration received (net of cost to sell)	2,593.98
Net assets transferred (footnote 'i')	1,314.59
Gain on disposal	**1,279.39**

Footnote:

(i) **Information of assets and liabilities transferred to Yara India**

Particulars	As at 31 March, 2018
Property, plant and equipment and intangible assets (Including CWIP)	545.09
Other non-current assets	2.45
Inventories	27.50
Trade receivables	786.64
Other current assets	99.85
Total Assets (A)	**1,461.53**
Other non-current liabilities	129.73
Other current liabilities	17.21
Total Liabilities (B)	**146.94**
Net assets (A - B)	**1,314.59**

35. Earnings per share

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Basic and Diluted earnings per share (₹)		
From continuing operations (₹)	50.66	34.53
From discontinued operations (₹)	44.85	4.45
Total Basic and Diluted earnings per share (₹)	**95.51**	**38.98**

Footnotes:

The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows.

(a) Earnings used in the calculation of basic and diluted earnings per share:	₹ in crore	₹ in crore
Profit for the year from continuing operations attributable to equity shareholders of the Company	1,290.59	879.64
Profit for the year from discontinued operations attributable to equity shareholders of the Company	1,142.49	113.47
	2,433.08	**993.11**

(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:	No. of shares	No. of shares
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share from continuing operations and from discontinued operations	25,47,56,278	25,47,56,278

36. Group Informations

(a) **Particulars of subsidiaries and joint ventures which have been considered in the preparation of the consolidated financial statements:**

Name of the Company	Country of Incorporation	Nature of Business	% Equity Interest As at 31 March, 2018	% Equity Interest As at 31 March, 2017
Subsidiaries				
Direct				
Rallis India Limited ('Rallis')	India	Manufacturing	50.06%	50.06%
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd ###	Mauritius	Investment	100.00%	100.00%
Ncourage Social Enterprise Foundation @@	India	CSR Activity	100.00%	-
Indirect				
Rallis Chemistry Exports Limited	India	Manufacturing	100.00%	100.00%
Metahelix Life Sciences Limited	India	Manufacturing	100.00%	100.00%
Zero Waste Agro Organics Limited ('ZWAOL')##	India	Manufacturing	100.00%	100.00%
PT Metahelix Lifesciences Indonesia ('PTLI')	Indonesia	Manufacturing	65.77%	65.77%
Valley Holdings Inc.	United States of America	Investment	100.00%	100.00%
Tata Chemicals North America Inc.('TCNA')	United States of America	Trading	100.00%	100.00%
General Chemical International Inc.	United States of America	Dormant	100.00%	100.00%
NHO Canada Holdings Inc.	United States of America	Dormant	100.00%	100.00%
Tata Chemicals (Soda Ash) Partners ('TCSAP')**	United States of America	Manufacturing	75.00%	75.00%
Tata Chemicals (Soda Ash) Partners Holdings ('TCSAPH')**	United States of America	Investment	75.00%	75.00%
TCSAP LLC	United States of America	Investment	75.00%	75.00%
General Chemical Canada Holding Inc.	Canada	Dormant	-	*
Homefield Pvt UK Limited	United Kingdom	Investment	100.00%	100.00%
Homefield 2 UK Limited	United Kingdom	Investment	100.00%	100.00%
Tata Chemicals Africa Holdings Limited	United Kingdom	Investment	100.00%	100.00%
Tata Chemicals Europe Holdings Limited	United Kingdom	Investment	100.00%	100.00%
Tata Chemicals Europe Limited	United Kingdom	Manufacturing	100.00%	100.00%
Winnington CHP Limited	United Kingdom	Manufacturing	100.00%	100.00%
Brunner Mond Group Limited	United Kingdom	Investment	100.00%	100.00%
Brunner Mond Limited	United Kingdom	Investment	***	100.00%

Name of the Company	Country of Incorporation	Nature of Business	% Equity Interest	
			As at 31 March, 2018	As at 31 March, 2017
Tata Chemicals Magadi Limited	United Kingdom	Manufacturing	100.00%	100.00%
Northwich Resource Management Limited	United Kingdom	Dormant	100.00%	100.00%
Brunner Mond Generation Company Limited	United Kingdom	Dormant	***	100.00%
Gusiute Holdings (UK) Limited	United Kingdom	Investment	100.00%	100.00%
TCNA (UK) Limited	United Kingdom	Trading	100.00%	100.00%
British Salt Limited	United Kingdom	Manufacturing	100.00%	100.00%
Cheshire Salt Holdings Limited	United Kingdom	Investment	100.00%	100.00%
Cheshire Salt Limited	United Kingdom	Investment	100.00%	100.00%
Brinefield Storage Limited	United Kingdom	Dormant	100.00%	100.00%
Cheshire Cavity Storage 2 Limited	United Kingdom	Dormant	100.00%	100.00%
Cheshire Compressor Limited	United Kingdom	Dormant	100.00%	100.00%
Irish Feeds Limited	United Kingdom	Dormant	100.00%	100.00%
New Cheshire Salt Works Limited	United Kingdom	Investment	100.00%	100.00%
Grown Energy Zambeze Holdings Pvt. Ltd	Mauritius	Investment	#	100.00%
Tata Chemicals International Pte. Limited ('TCIPL')	Singapore	Trading	100.00%	100.00%
Tata Chemicals (South Africa) Proprietary Limited	South Africa	Trading	100.00%	100.00%
Grown Energy (Pty) Limited	South Africa	Investment	#	100.00%
Magadi Railway Company Limited	Kenya	Dormant	100.00%	100.00%
Grown Energy Zambeze Limitada	Mozambique	Manufacturing	#	94.00%
Alcad**	United States of America	Manufacturing	50.00%	50.00%

* General Chemical Canada Holding Inc. has been dissolved during the year ended 31 March, 2017

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

*** Brunner Mond Generation Company Limited and Brunner Mond Limited, subsidiaries in United Kingdom, have been dissolved during the year ended 31 March, 2018.

@@ Ncourage Social Enterprise Foundation is incorporated as a wholly owned direct subsidiary under Section 8 of the Companies Act, 2013 with effect from 8 December, 2017.

\# During the year, the Group has concluded divestment of Grown Energy Zambeze Holdings Pvt. Ltd., Mauritius and its subsidiaries.

\## The Board of Directors of the Rallis India Limited has accorded its consent to the merger of Zero Waste Agro Organics Limited (a wholly owned subsidiary of Rallis) with Rallis India Limited under a Scheme of Amalgamation subject to necessary statutory approvals from various regulatory authorities, including the National Company Law Tribunal ('NCLT').

\### During the year ended 31 March, 2018, the Board of Directors of the Company has approved the Scheme of Amalgamation ('Scheme') under the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 for the merger of Bio Energy Venture - 1 (Mauritius) Pvt. Ltd., a wholly owned subsidiary of the Company, with the Company, subject to necessary statutory and regulatory approvals, including approval of the National Company Law Tribunal. The Scheme is in the process of being filed.

Name of the Company	Country of Incorporation	Nature of Business	% Equity Interest	
			As at 31 March, 2018	As at 31 March, 2017
Joint Ventures				
Direct				
Indo Maroc Phosphore S. A.	Morocco	Manufacturing	33.33%	33.33%
Indirect				
The Block Salt Company Limited (Holding by New Cheshire Salt Works Limited)	United Kingdom	Manufacturing	50.00%	50.00%
JOil (S) Pte. Ltd and its subsidiaries (Holding by TCIPL)	Singapore	Manufacturing	33.78%	33.78%
Natronx Technologies LLC (Holding by TCSAP)	United States of America	Manufacturing	33.30%	33.30%
Promoter Group				
Tata Sons Limited	India			

b) Business combination

Subsequent to balance sheet date, the Group has signed a Business Transfer Agreement with M/s. Allied Silica Limited to acquire their business of precipated silica, on a slump sale basis for a consideration of ₹ 123 crore (subject to fulfilment of certain agreed conditions and milestones). The effect of the transfer will be reflected in the financial information of the period in which the deal is consummated post fulfillment of agreed conditions.

37. Finance leases (including hire purchase) and operating leases

Finance lease commitments

The Group has finance lease contracts for certain items of plant and machinery and vehicles. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

Future minimum lease payments ('MLP') under finance lease contracts together with the present value of the net minimum lease payments are as follows:

₹ in crore

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	7.21	5.37	26.57	23.54
After one year but not more than five years	21.36	18.43	15.66	12.19
More than five years	-	-	7.87	7.31
Total minimum lease payments	**28.57**	**23.80**	**50.10**	**43.04**
Less : amounts representing finance charges	4.77		7.06	
Present value of minimum lease payments	**23.80**		**43.04**	
Included in the financial statements as:				
- Non-current borrowings (note 18)		18.43		19.50
- Current maturity of finance lease obligations (note 19)		5.37		27.54
		23.80		**43.04**

Interest rates ranging from 8% to 12% per annum, underlying all obligations under finance leases, are fixed at respective contract dates.

Operating leases

Particulars	As at 31 March, 2018	As at 31 March, 2017
Total of minimum lease payments	**314.47**	**279.74**
(a) The total of minimum lease payments for a period:		
(i) Not later than one year	83.60	89.41
(ii) Later than one year and not later than five years	138.28	102.59
(iii) Later than five years	92.59	87.74
(b) Lease payments recognised (non-cancellable operating lease)*	114.65	119.91

* In the Consolidated Statement of Profit and Loss for the year (included in rent and cost of materials consumed)

38. Employee benefits obligations

(A) In respect of the Company and domestic subsidiaries

The Company and its domestic subsidiaries make contribution towards provident fund, in substance a defined contribution retirement benefit plan and towards pension and superannuation funds, defined contribution retirement plans for qualifying employees. The provident fund is administered by the Trustees of the Provident Fund and the superannuation fund is administered by the Trustees of the Superannuation Fund. The Company and its domestic subsidiaries are liable to pay to the provident fund to the extent of the amount contributed and any shortfall in the fund assets based on Government specified minimum rates of return relating to current services. Such contribution and shortfall if any, are recognised as an expense in the year in which these are incurred.

On account of the above contribution plans, a sum of ₹ 19.25 crore (2017: ₹ 19.14 crore) has been charged to the Consolidated Statement of Profit and Loss.

The Company and its domestic subsidiaries make 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, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The Company also provides post retirement medical benefits to eligible employees under which employees at Mithapur who have retired from service of the Company are entitled for free medical facility at the Company hospital during their lifetime. Other employees are entitled to domiciliary treatment exceeding the entitled limits for the treatments covered under the Health Insurance Scheme upto slabs defined in the scheme. The floater mediclaim policy also covers retired employees based on eligibility, for such benefit.

The Company provides pension, housing/house rent allowance and medical benefits to retired Managing and Executive Directors who have completed ten years of continuous service in Tata Group and three years of continuous service as Managing Director/Executive Director or five years of continuous service as Managing Director/Executive Director. The directors are entitled upto seventy five percent of last drawn salary for life and on death 50% of the pension is payable to the spouse for the rest of his/her life.

Domestic subsidiaries also include a supplemental pay scheme (a life long pension), an unfunded scheme, covering certain Executives.

Family benefit scheme is applicable to all permanent employees in management, officers and workmen who have completed one year of continuous service. Incase, of untimely death of the employee, the nominated beneficiary is entitled to an amount equal to the last drawn salary (Basic Salary, DA and FDA) till the normal retirement date of the deceased employee.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31 March, 2018. 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.

(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.

(i) UK and Kenyan subsidiaries

The Homefield Pvt UK Limited - Group operates defined contribution schemes, under which costs of ₹ 12.66 crore (2017: ₹ 9.02 crore) are charged to the Consolidated Statement of Profit and Loss on the basis of contributions payable.

The Group also operates defined benefit schemes, the assets of which are held in separate trustee administered funds.

Defined benefit scheme - Tata Chemicals Europe Limited ('TCEL')

TCEL operates defined benefit pension arrangements in UK, which were available to substantially all employees but are now closed to new members and closed for further accruals from 31 May, 2016. The assets of the scheme are held in separate trustee administered funds.

As part of the 2014 valuation, a new payment schedule has been agreed between the trustees of the pension scheme and TCEL whereby TCEL will make contributions towards the deficit in the fund from June 2016 to February 2041. TCEL will also continue to make contributions towards the expenses of the fund and to cover cost of future accrual benefits for the remaining active members. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method. The projected unit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

Defined benefit scheme - British Salt Limited ('BSL')

BSL operates defined benefit pension arrangements in UK. Eligible employees of the salt business were members of the British Salt Retirement Income and Life Assurance Plan ('RILA') which was closed to future accrual and new members on 31 January, 2008. RILA is funded by the payment of contributions to a defined benefit scheme and separately administered trust fund. The fund is valued every three years using the projected unit method by an independent, professionally qualified actuary who has also set the contribution rates for the year.

The most recent triennial valuation was performed as in June, 2016. The assumptions which had the most significant effect on the results of the valuation were those relating to investment returns and price inflation.

(ii) USA subsidiaries - Tata Chemicals North America and its subsidiaries ('TCNA')

TCNA also sponsor defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. TCNA matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate.

TCNA's contribution to these plans was ₹ 4.04 crore (2017: ₹ 3.90 crore) for the year ended 31 March, 2018 and 31 March, 2017 respectively.

Pension plans and other post retirement benefit

TCNA maintains several defined benefit pension plans covering substantially all employees. A participating employee's annual post retirement pension benefit is determined by the employee's credited service and, in most plans, final average annual earnings with the TCNA. Vesting requirements are two years. TCNA's funding policy is to annually contribute the statutorily required minimum amount as actuarially determined. TCNA also maintains several plans providing non-pension post retirement benefits covering substantially all hourly and certain salaried employees. TCNA funds these benefits on a pay-as-you-go basis.

Plan assets

The assets of TCNA's defined benefit plans are managed on a commingled basis in a Master Trust. The investment policy and allocation of the assets in the Master Trust were approved by TCNA's Investment Committee, which has oversight responsibility for the retirement plans.

The pension fund assets are invested in accordance with the statement of Investment Policies and Procedures adopted by TCNA, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk.

The following tables set out the funded status and amounts recognised in the Group's consolidated financial statements as at 31 March, 2018 and 31 March, 2017 for the Defined benefits plans:

(i) Changes in the defined benefit obligation:

₹ in crore

Particulars	Year Ended 31 March, 2018		Year Ended 31 March, 2017	
	Funded	Unfunded	Funded	Unfunded
At the beginning of the year	4,626.73	370.29	4,553.73	324.49
Current service cost	43.33	8.76	45.36	6.49
Interest cost	150.94	17.88	165.44	17.12
Remeasurements (gain)/loss				
Actuarial (gain) / loss arising from:				
- Changes in financial assumptions	(103.12)	(12.16)	534.57	41.57
- Changes in demographic assumptions	(9.24)	0.79	19.83	(2.68)
- Experience adjustments	8.81	(12.80)	(11.63)	3.17
Benefits paid	(192.76)	(14.22)	(183.60)	(16.50)
Transfer out*	(17.22)	(6.89)	-	-
Past Service Cost	1.19	-	6.24	-
Plan amendments (note 32(a))	-	(82.80)	-	-
Exchange fluctuations	400.99	0.22	(503.21)	(4.40)
Retiree Drug Subsidy Reimbursement	-	1.44	-	1.03
	4,909.65	**270.50**	**4,626.73**	**370.29**
Pertaining to discontinued operations	(8.75)	(1.26)	(16.95)	(2.73)
At the end of the year	**4,900.90**	**269.24**	**4,609.78**	**367.56**

* Pertaining to urea and customised fertilisers business

(ii) Changes in the fair value of plan assets:

₹ in crore

Particulars	Year Ended 31 March, 2018		Year Ended 31 March, 2017	
	Funded	Unfunded	Funded	Unfunded
At the beginning of the year	3,474.20	-	3,411.88	-
Interest on plan assets	113.45	-	74.94	-
Administrative expenses	(11.57)	-	(4.02)	-
Remeasurement (gain)/loss				
Annual return on plan assets less interest on plan assets	56.08	-	446.36	-
Impact of assets ceiling	(0.37)	-	-	-
Contributions	59.42	-	108.96	-
Benefits paid	(192.76)	-	(183.60)	-
Exchange fluctuations	306.02	-	(380.32)	-
	3,804.47	**-**	**3,474.20**	**-**
Pertaining to discontinued operations	(7.10)	-	(16.48)	-
	3,797.37	**-**	**3,457.72**	**-**
Transfer out*	(16.15)	-	-	-
At the end of the year	**3,781.22**	**-**	**3,457.72**	**-**
Liability (net)	**1,119.68**	**269.24**	**1,152.06**	**367.56**

* Pertaining to urea and customised fertilisers business

(iii) Net employee benefit expense for the year:

₹ in crore

Particulars	Year Ended 31 March, 2018		Year Ended 31 March, 2017	
	Funded	Unfunded	Funded	Unfunded
Current service cost	43.33	8.76	45.36	6.49
Past Service Cost	1.19	-	-	-
Plan Amendments	-	(82.80)	-	-
Interest on defined benefit obligation (net)	37.49	17.88	90.50	17.12
Pertaining to discontinued operations	(1.03)	-	(1.02)	(0.28)
Components of defined benefits costs recognised in profit or loss	**80.98**	**(56.16)**	**134.84**	**23.33**
Remeasurements of the net defined benefit liability/(asset)				
Actuarial (gain) / loss arising from:				
- Changes in financial assumptions	(103.12)	(12.16)	534.57	41.57
- Changes in demographic assumptions	(9.24)	0.79	19.83	(2.68)
- Experience adjustments	8.81	(12.80)	(11.63)	3.17
Impact of assets ceiling	0.37	-	-	-
Return on plan assets less interest on plan assets	(56.08)	-	(446.36)	-
Components of defined benefits costs recognised in other comprehensive income	**(159.26)**	**(24.17)**	**96.41**	**42.06**
Net employee benefit expense	**(78.28)**	**(80.33)**	**231.25**	**65.39**

(iv) Categories of the fair value of total plan assets :

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Government Securities/Corporate Bonds (Quoted)	2,190.92	1,980.45
Government Securities/Corporate Bonds (Unquoted)	469.13	428.06
Equity Instruments (Quoted)	332.48	194.51
Equity Instruments (Unquoted)	530.64	609.64
Insurer Managed/Hedged Funds	81.69	78.48
Others (Quoted)	135.41	131.69
Others (Unquoted)	64.20	51.36
Total	**3,804.47**	**3,474.20**

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

(v) Risk Exposure :

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below :

Investment risk	If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower, and the funding level higher, than expected.
Changes in bond yields	A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Longevity risk	If improvements in life expectancy are greater than assumed, the cost of benefits will increase because pensions are paid for longer than expected. This will mean that the funding level will be higher than expected.
Inflation risk	If inflation is greater than assumed, the cost of benefits will increase as pension increases and deferred revaluations are linked to inflation.

(vi) (a) Assumptions used to determine net periodic benefit costs:

Particulars		India		USA Plans		UK Plans
		Funded	Unfunded	Funded	Unfunded	Funded
Discount rate	As at 31 March, 2018	7.75% to 7.78% p.a.	7.75% to 7.78% p.a.	4.11% p.a.	4.05% p.a.	2.65% p.a.
	As at 31 March, 2017	6.85% to 7.29% p.a.	6.85% to 7.29% p.a.	4.29% p.a.	4.23% p.a.	2.5% p.a.
Increase in Compensation cost	As at 31 March, 2018	7.50% to 8.00% p.a.	7.50% to 8.00% p.a.	4.50% to 9.00% p.a.	NA	NA
	As at 31 March, 2017	7.50% to 8.00% p.a.	7.50% to 8.00% p.a.	4.50% to 9.00% p.a.	NA	NA
Healthcare cost increase rate	As at 31 March, 2018	NA	8.00% to 10.00% p.a.	NA	7.25% p.a.	NA
	As at 31 March, 2017	NA	10.00% p.a	NA	7.50% p.a.	NA
Pension increase rate	As at 31 March, 2018	NA	6.00% p.a.	NA	NA	2.90% p.a.
	As at 31 March, 2017	NA	6.00% p.a.	NA	NA	2.20% to 3.05% p.a.

(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. Discount rate for USA Subsidiaries is based on high quality bonds and for UK subsidiaries is based on corporate bonds.

(b) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

(c) The details of post-retirement and other benefit plans for its employees given above, are certified by the actuaries and relied upon by the Auditors.

vi (b) Average longevity at retirement age for current beneficiaries of the plan (years)

Particulars	India	UK	USA	India	UK	USA
	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2017	As at 31 March, 2017
Males	8 to 18 years	22 to 25 years	24 to 25 years	8 to 18 years	20 to 21 years	24 to 25 years
Females	8 to 22 years	25 to 28 years	26 to 27 years	8 to 22 years	25 to 26 years	26 to 27 years

(vii) Sensitivity Analysis

Impact on defined benefit obligation due to change in assumptions as at March, 2018

₹ in crore

Assumptions	TCL		Rallis		USA		UK	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate								
0.25% change	-	-	-	-	-	-	(123.20)	131.09
0.5% change	(10.77)	11.90	-	-	(115.74)	135.46	-	-
1% change	-	-	(3.24)	3.37	-	-	-	-
Compensation rate								
0.5% change	2.90	(2.72)	-	-	34.06	(35.11)	-	-
1% change	-	-	2.48	(2.24)	-	-	-	-
Pension rate								
1% change	3.29	(2.86)	-	-	-	-	#	#
Healthcare costs								
1% change	13.41	(10.65)	-	-	0.33	(0.31)	-	-

Not material

Impact on defined benefit obligation due to change in assumptions as at March, 2017

₹ in crore

Assumptions	TCL		Rallis		USA		UK	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate								
0.25% change	-	-	-	-	-	-	(119.93)	127.83
0.5% change	(13.99)	15.72	-	-	(116.96)	136.70	-	-
1% change	-	-	(3.37)	3.87	-	-	-	-
Compensation rate								
0.5% change	3.11	(2.94)	-	-	33.43	(34.48)	-	-
1% change	-	-	2.30	(2.59)	-	-	-	-
Pension rate								
1% change	3.83	(3.30)	-	-	-	-	#	#
Healthcare costs								
1% change	19.58	(15.27)	-	-	2.15	(2.27)	-	-

Not material

The sensitivity analysis above has been determined based on reasonably possible changes of the respective key assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(viii) Maturity profile of the defined benefit obligation as at 31 March, 2018 is as follows:

₹ in crore

Particulars	India	US	UK
Within the next 12 months (next annual reporting period)	21.97	88.12	105.26
Later than 1 year and not later than 5 years	67.04	386.04	445.75
6 years and above	700.94	535.46	617.23
Weighted average duration of the payments (in no. of years)	7-20 years	14-15 years	16-17 years

Maturity profile of the defined benefit obligation as at 31 March, 2017 is as follows:

₹ in crore

Particulars	India	US	UK
Within the next 12 months (next annual reporting period)	19.30	81.01	93.48
Later than 1 year and not later than 5 years	70.47	371.60	397.47
6 years and above	810.81	548.17	554.24
Weighted average duration of the payments (in no. of years)	7-20 years	14-15 years	16-17 years

(C) Provident Fund

The Company and its domestic subsidiaries operate Provident Fund Schemes and the contributions are made to the recognised funds maintained. The Company and its domestic subbsidiaries are required to offer a defined benefit interest rate guarantee on provident fund balances of employees. The interest rate guarantee is payable to the employees for the year when the exempt fund declares a return on provident fund investments which is less than the rate declared by the Regional Provident Fund Commissioner ('RPFC') on the provident fund corpus for their own subscribers. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as on 31 March, 2018.

The details of fund and plan assets position are given below:

₹ in crore

Particulars	As at 31 March, 2018
Plan assets at the end of the year	436.44
Present value of funded obligation	433.10
Amount recognised in the Balance Sheet	-
Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:	
Guaranteed rate of return	8.55% - 8.65%
Discount rate for remaining term to maturity of investments	7.65% - 7.78%
Discount rate	7.75%
Expected rate of return on investments	7.99% - 8.38%

39. Segment information

₹ in crore

39.1 Continuing operations

Particulars			Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	**Information about operating segments**			
1.	**Segment revenue (Revenue from operations)**			
	(i)	Inorganic chemicals	8,396.01	8,541.11
	(ii)	Agri inputs	1,808.66	1,768.37
	(iii)	Others	146.07	374.83
			10,350.74	**10,684.31**
		Inter segment revenue	(6.65)	(5.74)
			10,344.09	**10,678.57**
		Unallocated	1.27	2.41
			10,345.36	**10,680.98**
2.	**Segment result (Reconciliation with profit from continuing operations)**			
	(i)	Inorganic chemicals	1,720.79	1,586.53
	(ii)	Agri inputs	219.03	254.57
	(iii)	Others	(43.75)	(86.25)
		Total Segment results	**1,896.07**	**1,754.85**
		Unallocated expenditure net of unallocated income	0.41	(6.60)
		Finance costs	(325.58)	(297.29)
		Profit before share of profit from investment in joint ventures and tax	**1,570.90**	**1,450.96**
		Share of profit of joint ventures	49.23	15.62
		Tax expense	(60.13)	(345.95)
		Profit for the year from continuing operations	**1,560.00**	**1,120.63**

3. Segment assets and segment liabilities

₹ in crore

Particulars		Segment assets		Segment liabilities	
		As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
(i)	Inorganic chemicals	14,297.07	14,010.03	2,993.73	2,955.41
(ii)	Agri inputs*	1,863.22	1,477.75	736.79	526.89
(iii)	Others	189.74	144.73	51.86	42.78
		16,350.03	**15,632.51**	**3,782.38**	**3,525.08**
	Unallocated	8,442.92	5,192.53	7,727.44	8,717.15
		24,792.95	**20,825.04**	**11,509.82**	**12,242.23**

* Including assets held for sale

4. Other information

₹ in crore

Particulars	Addition to non-current assets *		Depreciation and amortisation		Other non-cash expenses	
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017
(i) Inorganic chemicals	606.24	591.51	451.94	445.01	129.80	96.96
(ii) Agri inputs	83.83	44.24	47.39	48.55	7.85	4.25
(iii) Others	-	6.49	3.30	3.13	3.62	1.12
	690.07	**642.24**	**502.63**	**496.69**	**141.27**	**102.33**
Unallocated	27.31	11.37	15.38	15.47	3.68	8.89
	717.38	**653.61**	**518.01**	**512.16**	**144.95**	**111.22**

*Comprises additions to Property, plant and equipment, Capital work-in-progress, Intangible assets and Intangible assets under development.

(b) Information about geographical areas

1. Segment revenue

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(i) India	4,980.45	5,056.65
(ii) Asia (other than India)	668.66	832.19
(iii) Europe	1,392.03	1,559.96
(iv) Africa	337.39	325.04
(v) America	2,949.64	2,901.22
(vi) Others	17.19	5.92
	10,345.36	**10,680.98**

2. Non-current assets*

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
(i) India	2,896.39	2,892.01
(ii) Asia (other than India)	0.06	0.10
(iii) Europe	1,287.60	1,123.77
(iv) Africa	120.13	128.23
(v) America	9,675.90	9,447.89
	13,980.08	**13,592.00**

* Non-current assets other than investments in joint ventures, financial assets, deferred tax assets (net) and net defined benefit assets.

(c) Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products

₹ in crore

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(i)	Soda Ash	5,532.98	5,731.34
(ii)	Vaccum and Iodised Salt	1,618.21	1,576.66
(iii)	Agri Products	1,808.66	1,768.37
(iv)	Others	1,385.51	1,604.61
		10,345.36	**10,680.98**

(d) Revenue from major customers

No single customer contributed 10% or more to the Group's revenue for the year ended 31 March, 2018 and 31 March, 2017.

(e) Other notes

(i) Management has identified two reportable business segments, namely:

- Inorganic Chemicals: Comprising soda ash, marine chemicals, caustic soda, cement, bulk chemicals and salt.
- Agri Inputs: Comprising traded seeds, pesticides, speciality crop nutrients
- Others: Comprising pulses, spices, water purifiers and nutritional solutions.

(ii) The geographical segments revenue are disclosed on the basis of sales as follows:

- Asia (other than India): Comprising sales to customers located in Asia (other than India).
- 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.

39.2 Discontinued operations

(a) Information about operating segment

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Revenue from operations (external)	4,086.91	4,616.83
Result :		
Segment result	1,715.12	361.27
Finance costs	(63.41)	(175.68)
Profit before tax	**1,651.71**	**185.59**
Tax expenses	(509.22)	(72.12)
Profit from discontinued operations after tax	**1,142.49**	**113.47**

Other information :

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Segment assets	1,085.69	2,785.42
Segment liabilities	549.95	836.10

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Addition to non-current assets *	10.58	25.52
Depreciation and amortisation	12.58	40.28
Other non-cash expenses	103.20	18.58

* Comprises additions to Property, plant and equipment, Capital work-in-progress and Intangible assets.

(b) Information about geographical area

Discontinued operations sells its products mainly within India where the conditions prevailing are uniform.

(c) Revenue from major products

Discontinued operations segment deals in one product group i.e fertiliser and other agri inputs.

(d) Major Customer

No single customer contributed 10% or more to the discontinued operations of the Group's revenue for the year ended 31 March, 2018 and 31 March, 2017.

39.3 Reconciliation of information on reportable segment to Consolidated Balance sheet and Consolidated Statement of Profit and Loss

(a) Reconciliation of profit for the year as per Consolidated Statement of Profit and Loss

₹ in crore

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year from continuing operations (note 39.1 (a) (2))	1,560.00	1,120.63
Profit for the year from discontinued operations (note 39.2 (a))	1,142.49	113.47
Profit for the year as per Consolidated Statement of Profit and Loss	**2,702.49**	**1,234.10**

(b) Reconciliation of total assets as per Consolidated Balance Sheet

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Total assets as per continuing operations (note 39.1 (a) (3))	24,792.95	20,825.04
Total assets as per discontinued operations (note 39.2 (a))	1,085.69	2,785.42
Total assets as per Consolidated Balance Sheet	**25,878.64**	**23,610.46**

(c) Reconciliation of total liabilities as per Consolidated Balance Sheet

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Total liabilities as per continuing operations (note 39.1 (a) (3))	11,509.82	12,242.23
Total liabilities as per discontinued operations (note 39.2 (a))	549.95	836.10
Total liabilities as per Consolidated Balance Sheet	**12,059.77**	**13,078.33**

40 Derivative financial instruments and hedging activities

(a) The details of the various outstanding derivative financial instruments are given below:

₹ in crore

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Assets	Liabilities	Assets	Liabilities
Current portion				
Derivatives designated in Cash flow hedges				
- Forward contracts	0.70	4.82	3.43	4.70
- Interest rate swaps	6.01	5.01	4.88	8.67
- Commodity futures	28.40	9.42	10.41	2.22
Total designated derivatives	**35.11**	**19.25**	**18.72**	**15.59**
Derivatives not designated in a hedge relationship				
- Forward contracts	2.68	0.13	-	20.72
- Option contracts	0.08	-	-	-
- Cross currency interest rate swaps	8.01	-	6.32	-
Total un-designated derivatives	**10.77**	**0.13**	**6.32**	**20.72**
Total current portion	**45.88**	**19.38**	**25.04**	**36.31**
Non-current portion				
Derivatives designated in cash flow hedges				
- Forward contracts	1.21	-	-	-
- Interest rate swaps	7.82	-	2.50	3.17
- Commodity futures	3.70	11.87	0.33	6.27
Total designated derivatives	**12.73**	**11.87**	**2.83**	**9.44**
Derivatives not designated in a hedge relationship				
- Cross currency interest rate swaps	4.87	-	0.38	1.35
Total un-designated derivatives	**4.87**	**-**	**0.38**	**1.35**
Total non-current portion	**17.60**	**11.87**	**3.21**	**10.79**
Total	**63.48**	**31.25**	**28.25**	**47.10**

Derivatives not designated in a hedge relationship are effective as hedges from an economic perspective, however these are not considered for hedge accounting.

(b) The details of the gross notional amounts of derivative financial instruments outstanding are given in the table below:

Derivative instruments	Underlying	As at 31 March, 2018	As at 31 March, 2017
Forward contracts	USD/INR	$ 17.7 million	$ 89.7 million
Forward contracts	EUR/INR	€ 1.8 million	€ 0.4 million
Forward contracts	CHF/INR	-	CHF 0.7 million
Forward contracts	EUR/GBP	€ 20.9 million	€ 15.6 million
Forward contracts	USD/GBP	-	$ 3 million
Forward contracts	GBP/USD	£ 9 million	£ 13.2 million
Forward contracts	USD/ZAR	$ 1 million	$ 6.8 million
Forward contracts	JPY/INR	JPY 487.3 million	JPY 112.1 million
Forward contracts	INR/USD	63.4 crore	-
Option contracts	USD/INR	$ 0.9 million	-
Cross currency interest rate swaps	USD/INR and Floating to fixed	$ 126.7 million	$ 190 million
Commodity futures	Heavy fuel oil	2800 MT	14000 MT
Commodity futures	Natural Gas (US)	6.8 MMBTU	5.7 MMBTU
Commodity futures	Natural Gas (UK)	68.8 million therms	48.2 million therms
Interest rate swaps	Floating to fixed	$ 424 million	$ 472 million

(c) The following table analyses the movement in the effective portion of Cash Flow Hedge Reserve ('CFHR') for the year ended 31 March, 2018 and 2017

₹ in crore

Particulars	Forward contracts	Interest rate swaps	Commodity contracts	Total
Balance as at 1 April, 2016	(3.02)	(5.15)	(59.78)	(67.95)
Net (losses) / gains recognised in the CFHR	(15.88)	(3.77)	20.47	0.82
Amount re-classified from the CFHR and included in the Consolidated Statement of Profit and Loss (due to settlement of contracts) within:				
Power and Fuel cost	-	-	40.29	40.29
Other expenses	16.28	-	-	16.28
Finance costs	-	17.75	-	17.75
Deferred income tax	1.48	(1.92)	(1.15)	(1.59)
Balance as at 31 March, 2017	**(1.14)**	**6.91**	**(0.17)**	**5.60**
Net (losses) / gains recognised in the CFHR	(10.21)	9.82	(4.30)	(4.69)
Amount re-classified from the CFHR and included in the Consolidated Statement of Profit and Loss (due to settlement of contracts) within:				
Power and Fuel cost	-	-	12.05	12.05
Other expenses	9.38	-	-	9.38
Finance costs	-	(2.61)	-	(2.61)
Deferred income tax	(0.49)	(1.66)	1.71	(0.43)
Balance as at 31 March, 2018	**(2.45)**	**12.46**	**9.29**	**19.31**

41. Disclosures on financial instruments

(a) Financial instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31 March 2018.

₹ in crore

Particulars	Investments - FVTOCI	Investments - FVTPL	Derivatives in other than hedging relationship	Derivatives in hedging relationship	Amortised cost	Total carrying value
Financial assets						
(a) Investments - non current						
Equity instrument at fair value	2,395.85	-	-	-	-	2,395.85
(b) Investments - current						
Investment in mutual funds	-	91.81	-	-	-	91.81
(c) Trade receivables	-	-	-	-	1,307.86	1,307.86
(d) Cash and cash equivalents	-	-	-	-	3,945.93	3,945.93
(e) Other bank balances	-	-	-	-	537.11	537.11
(f) Loans - non current	-	-	-	-	9.68	9.68
(g) Loans - current	-	-	-	-	1.63	1.63
(h) Other financial assets - non-current	-	-	4.87	12.73	5.41	23.01
(i) Other financial assets - current	-	-	10.77	35.11	101.24	147.12
Total	**2,395.85**	**91.81**	**15.64**	**47.84**	**5,908.86**	**8,460.00**
Financial liabilities						
(a) Borrowings - non-current			-	-	5,394.02	5,394.02
(b) Borrowings - current			-	-	140.21	140.21
(c) Trade payables			-	-	1,478.58	1,478.58
(d) Other financial liabilities - non-current			-	11.87	17.21	29.08
(e) Other financial liabilities - current			0.13	19.25	974.33	993.71
Total			**0.13**	**31.12**	**8,004.35**	**8,035.60**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31 March, 2017.

₹ in crore

Particulars	Investments - FVTOCI	Investments - FVTPL	Derivatives in other than hedging relationship	Derivatives in hedging relationship	Amortised cost	Total carrying value
Financial assets						
(a) Investments - non current						
Equity instrument at fair value	2,274.70	-	-	-	-	2,274.70
(b) Investments - current						
Investment in mutual funds	-	220.52	-	-	-	220.52
(c) Trade receivables	-	-	-	-	2,092.18	2,092.18
(d) Cash and cash equivalents	-	-	-	-	1,451.45	1,451.45
(e) Other bank balances	-	-	-	-	213.39	213.39
(f) Loans - non current	-	-	-	-	8.01	8.01
(g) Loans - current	-	-	-	-	1.79	1.79
(h) Other financial assets - non current	-	-	0.38	2.83	5.27	8.48
(i) Other financial assets - current	-	-	6.32	18.72	56.90	81.94
Total	**2,274.70**	**220.52**	**6.70**	**21.55**	**3,828.99**	**6,352.46**
Financial liabilities						
(a) Borrowings - non current			-	-	4,361.02	4,361.02
(b) Borrowings - current			-	-	721.08	721.08
(c) Trade payables			-	-	1,318.23	1,318.23
(d) Other financial liabilities - non current			1.35	9.44	20.00	30.79
(e) Other financial liabilities - current			20.72	15.59	2,371.86	2,408.17
Total			**22.07**	**25.03**	**8,792.19**	**8,839.29**

(b) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's financials assets and liabilities that are measured at fair value or where fair value disclosure is required.

₹ in crore

Particulars	As at 31 March, 2018			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative financial assets				
Cross currency interest rate swaps	12.88	-	12.88	-
Commodity futures	32.10	-	32.10	-
Interest rate swaps	13.83	-	13.83	-
Forward contracts	4.59	-	4.59	-
Option contracts	0.08	-	0.08	-
FVTOCI financial investments				
Quoted equity instruments	1,744.29	1,744.29	-	-
Unquoted equity instruments	651.56	-	-	651.56
FVTPL financial investments				
Investment in mutual funds	91.81	-	91.81	-
Liabilities measured at fair value:				
Derivative financial liabilities				
Forward contracts	4.95	-	4.95	-
Interest rate swaps	5.01	-	5.01	-
Commodity futures	21.29	-	21.29	-
Liabilities for which fair values are disclosed :				
Borrowings:				
Unsecured non-convertible debentures	256.32	256.32	-	-

There have been no transfers between levels during the period.

(b) Fair value hierarchy

₹ in crore

Particulars	As at 31 March, 2017			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative financial assets				
Cross currency interest rate swaps	6.70	-	6.70	-
Commodity futures	10.74	-	10.74	-
Interest rate swaps	7.38	-	7.38	-
Forward contracts	3.43	-	3.43	-
FVTOCI financial investments				
Quoted equity instruments	1,679.28	1,679.28	-	-
Unquoted equity instruments	595.42	-	18.29	577.13
FVTPL financial investments				
Investment in mutual funds	220.52	-	220.52	-
Liabilities measured at fair value:				
Derivative financial liabilities				
Cross currency interest rate swaps	1.35	-	1.35	-
Forward contracts	25.42	-	25.42	-
Interest rate swaps	11.84	-	11.84	-
Commodity futures	8.49	-	8.49	-
Liabilities for which fair values are disclosed :				
Borrowings:				
Unsecured non-convertible debentures	262.90	262.90	-	-

There have been no transfers between levels during the period.

(c) The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values.

₹ in crore

Particulars	Total	FVTOCI financial investments	FVTPL financial investments-Equity
Balance as at 1 April 2016	558.95	556.06	2.89
Addition / (deletion) during the year	(2.89)	-	(2.89)
Add / (less): Fair value through Other comprehensive income	21.07	21.07	-
Balance as at 31 March, 2017	**577.13**	**577.13**	**-**
Addition / (deletion) during the year	(14.91)	(14.91)	-
Add / (less): Fair value through Other comprehensive income	89.34	89.34	-
Balance as at 31 March, 2018	**651.56**	**651.56**	**-**

(d) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

(i) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range.

(iii) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The fair value of derivative financial instruments is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate curves and forward rate curves of the underlying commodity etc. and use of appropriate valuation models.

(iv) The fair value of non-current borrowings carrying floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Group (since the date of inception of the loans).

(v) The fair values of the 10% unsecured redeemable non-convertible debenture (included in non-current borrowings) are derived from quoted market prices. The Group has no other long-term borrowings with fixed-rate of interest.

(e) Financial risk management objectives

The Group is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Board of Directors/Committee of Board of the respective operating entities approve the risk management policies. The implementation of these policies is the responsibility of the operating entities. The Board of Directors/Committee of Board of the respective operating entities periodically review the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

All hedging activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Group's policy is not to trade in derivatives for speculative purposes.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity price risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, commodity price, liquidity and other market changes. Financial instruments affected by market risk include borrowings, deposits, investments and derivative financial instruments.

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and all recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the entities of the Group. The foreign exchange risk management policy requires operating entities to manage their foreign exchange risk against their functional currency and to meet this objective they enter into derivatives such as foreign currency forwards, option and swap contracts, as considered appropriate and whenever necessary.

The Group has international operations and hence, it is exposed to foreign exchange risk arising from various currencies, primarily with respect to USD. As at the end of the reporting period, the carrying amounts of the Group's foreign currency denominated monetary assets and liabilities, in respect to the primary foreign currency exposure i.e. USD, and derivative to hedge the foreign currency exposure are as follows:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
USD exposure*		
Assets	1,151.52	1,019.56
Liabilities	(941.62)	(1,875.75)
Net	**209.90**	**(856.19)**
Derivatives to hedge USD exposure		
Forward contracts - (USD/INR)	115.03	499.30
Option contracts - (USD/INR)	6.04	-
Cross currency swaps	825.96	1,232.15
	947.03	**1,731.45**
Net exposure	**1,156.93**	**875.26**

* includes exposure relating to discontinued operation.

The Group's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant. The impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities and derivatives is as follows:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
If INR had (strengthened) / weakened against USD by 5%		
(Decrease) / increase in profit for the year	57.85	43.76

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's non-current debt obligations with floating interest rates.

The Group's policy is generally to undertake non-current borrowings using facilities that carry floating-interest rate. The Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

As at the end of reporting period, the Group had the following long term variable interest rate borrowings and derivative to hedge the interest rate risk as follows:

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Non-current variable interest rate borrowings	5,756.09	6,094.31
Derivatives to hedge interest rate risk		
Cross currency swaps (not designated in a hedge relationship)	825.96	1,232.15
Interest rate swaps (designated in Cash flow hedges)	2,763.42	3,060.92
Total	**3,589.38**	**4,293.07**
Net exposure	**2,166.71**	**1,801.24**

Interest rate sensitivity

The following table demonstrates the impact to the Group's profit before tax and other comprehensive income to a reasonably possible change in interest rates on long term floating rate borrowings, with all other variables held constant:

₹ in crore

Particulars	Increase/ decrease in basis points	Effect on profit before tax	Effect on other comprehensive income
31 March, 2018	+50/-50	(28.70)/ 28.70	0.40/ (0.40)
31 March, 2017	+50/-50	(28.90)/ 28.89	12.31/ (8.57)

The effect on other comprehensive income is calculated on change in fair of cash flow hedges entered to hedge the interest rate risks.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

Equity price risks management

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The Group's exposure to equity price risk arises from investments held by the Group and classified in the Consolidated Balance Sheet as FVTOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

Equity price sensitivity analysis

If prices of equity instrument had been 5% higher/(lower), the OCI for the year ended 31 March, 2018 and 2017 would increase/(decrease) by ₹ 87.22 crore and ₹ 83.96 crore respectively.

Commodity price risk

Certain entities within the Group are affected by the volatility in the price of commodities. Its operating activities require the ongoing production of steam and electricity and therefore require a continuous supply of fuels. Due to potential volatility in the price of fuels, the Group has put in place a risk management strategy whereby the cost of fuels are hedged.

Commodity price sensitivity

The following table shows the effect of price changes in commodities to OCI due to changes in fair value of cash flow hedges entered to hedge commodity price risk.

₹ in crore

If the price of the future contracts were higher / (lower) by 10%		As at 31 March, 2018	As at 31 March, 2017
Increase / (decrease) in OCI for the year	Natural gas	36.91	28.11
Increase / (decrease) in OCI for the year	HFO	0.68	2.80

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, investment in mutual funds and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term investment, trade receivables and other financial assets excluding equity investments.

Trade receivables

The Trade receivables of Group are majorly unsecured and derived from sales made to a large number of independent customers. Customer credit risk is managed by each business unit subject to the established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Group has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other factors. The credit period provided by the Group to its customers generally ranges from 0-60 days. Outstanding customer receivables are regularly monitored.

The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers.

As the revenue and trade receivables from any of the single customer do not exceed 10% of Group revenue, there is no substantial concentration of credit risk.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Risk Management Policy includes an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long term funding and liquidity management requirements. The Group manages the liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The below table analyses the Group's non-derivative financial liabilities as at the reporting date, into relevant maturity groupings based on the remaining period (as at that date) to the contractual maturity date. The amounts disclosed in the below table are the contractual undiscounted cash flows.

₹ in crore

Particulars	Carrying amount	Up-to 1 year	1-3 years	3-5 years	Above 5 years	Total
As at 31 March, 2018						
Borrowings and future interest thereon	6,108.17	885.25	2,914.38	2,874.57	5.10	6,679.30
Trade and other payables	1,896.18	1,878.97	17.21	-	-	1,896.18
Total	**8,004.35**	**2,764.22**	**2,931.59**	**2,874.57**	**5.10**	**8,575.48**
As at 31 March, 2017						
Borrowings and future interest thereon	7,071.86	2,889.80	2,043.21	2,629.20	9.51	7,571.72
Trade and other payables	1,720.33	1,700.33	20.00	-	-	1,720.33
Total	**8,792.19**	**4,590.13**	**2,063.21**	**2,629.20**	**9.51**	**9,292.05**

The below table analyses the Group's derivative financial liabilities into relevant maturity groupings based on the remaining period (as at the reporting date) to the contractual maturity date.

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Current portion	19.38	36.31
Non-current portion (within one - three years)	11.87	10.78
Non-current portion (more than three years)	-	0.01
Total	**31.25**	**47.10**

All the derivative financial liabilities are included in the above analysis, as their contractual maturity dates are essential for the understanding of the timing of the under-lying cash flows.

42. Capital management

The capital structure of the Group consists of net debt and total equity. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group's risk management committee reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

43. Related Party Disclosure

(a) Related parties and their relationship (as defined under Ind AS 24 Related Party Disclosures)

I Joint Ventures

Direct

Indo Maroc Phosphore S.A., Morocco

Indirect

Joil (S) Pte. Ltd., Singapore (Holding by Tata Chemicals International Pte. Limited)

The Block Salt Company Limited, United Kingdom (Holding by New Cheshire Salt Works Limited)

Natronx Technologies LLC, Unites States of America (Holding by TCSAP)

II. Key Management Personnel ('KMP')

Mr. R. Mukundan, Managing Director and CEO

III. Promoter Group

Tata Sons Limited, India

IV. Other Related Parties @

TC Travel and Services Limited (ceased w.e.f 30 October, 2017)

Tata Consultancy Services Limited

TASEC Limited (formely TAS-AGT Systems Limited)

Tata AIG General Insurance Company Limited

Tata Autocomp Systems Limited

Tata Autocomp Hendrickson Limited

Tata Capital Forex Limited (ceased w.e.f 30 October, 2017)

Tata Capital Financial Services Limited

Tata International Limited

Tata Chemicals Ltd Emp Pension Fund

Tata Chemicals Employees Gratuity Trust

Tata AIA Life Insurance Company Limited

Tata Business Support Services Limited (ceased w.e.f 27 November, 2017)

Tata Unistore Limited (formerly Tata Industrial Services Limited)

Tata Realty and Infrastructure Limited

Tata Industries Limited

Tata Teleservices Limited

Ecofirst Services Limited

Tata Advanced System Limited

Infiniti Retail Limited

Ewart Investments Limited

Simto Investment Company Limited

Tata Chemicals Ltd Provident Fund

Tata Chemicals Superannuation Fund

TCL Employees Gratuity Fund

Tata Consulting Engineers Limited

Tata Investment Corporation Limited

@ The above list includes the Companies with whom Tata Chemicals Limited has entered into the transactions during the year.

(b) Transactions with Related parties (as defined under Ind AS 24) during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018 and as at 31 March, 2017.

₹ in crore

Particulars	Joint Ventures of Tata Chemicals Limited			Promoter	Subsidiaries And Joint ventures of Tata Sons			Other Related parties	KMP	Total
	Indo Maroc Phosphore S. A.	Natronx Technologies LLC	The Block Salt Company Limited	Tata Sons	TC Travel and Services Limited	Tata Consultancy Services Limited	Other Entities			
Purchase of goods (includes stock in transit) - net	**290.77**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**290.77**
	310.73	-	-	-	-	-	2.04	-	-	312.77
Sales	**-**	**-**	**6.10**	**-**	**-**	**-**	**4.78**	**-**	**-**	**10.88**
	-	-	7.33	-	-	-	5.64	-	-	12.97
Other Services - expenses (net of reimbursements)	**1.71**	**1.92**	**-**	**26.59**	**5.21**	**17.12**	**5.81**	**-**	**-**	**58.36**
	2.95	(0.39)	-	31.14	7.56	9.73	7.25	-	-	58.24
Other Services - Income	**-**	**-**	**1.50**	**0.07**	**-**	**-**	**0.28**	**-**	**-**	**1.85**
	-	-	-	0.22	-	0.04	0.23	-	-	0.49
Dividend received	**-**	**-**	**-**	**8.19**	**-**	**-**	**0.86**	**-**	**-**	**9.05**
	-	-	-	-	-	-	0.72	-	-	0.72
Deposit received	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.02	-	-	-	-	-	0.02
Miscellaneous purchases	**-**	**-**	**-**	**-**	**-**	**-**	**0.69**	**-**	**-**	**0.69**
	-	-	-	1.63	-	-	0.02	-	-	1.65
Dividend paid	**-**	**-**	**-**	**54.24**	**-**	**-**	**18.88**	**-**	**-**	**73.12**
	-	-	-	49.31	-	-	17.52	-	-	66.83
Interest paid	**-**	**-**	**-**	**-**	**-**	**-**	**0.40**	**-**	**-**	**0.40**
	-	-	-	-	-	-	0.40	-	-	0.40
Contributions to employee benefit trusts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37.81**	**-**	**37.81**
	-	-	-	-	-	-	-	40.36	-	40.36
Compensation To KMPs										
Short-term employee benefits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.84**	**5.84**
									5.15	5.15
Post-employment benefits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.82)**	**(0.82)**
	-	-	-	-	-	-	-	-	3.98	3.98
Amount receivables / advances										
As at 31 March, 2018	**-**	**-**	**0.70**	**-**	**-**	**-**	**0.64**	**23.31**	**-**	**24.65**
As at 31 March, 2017	0.54	-	0.64	-	-	-	2.62	0.01	-	3.81
Amount payables (in respect of goods purchased and other services)										
As at 31 March, 2018	**0.52**	**2.12**	**-**	**6.71**	**-**	**0.60**	**0.59**	**2.49**	**-**	**13.03**
As at 31 March, 2017	35.47	4.52	-	28.62	0.28	0.26	0.72	2.88	-	72.75
Amount receivable on account of any management contracts										
As at 31 March, 2018	**-**	**-**	**-**	**0.07**	**-**	**-**	**0.06**	**-**	**-**	**0.13**
As at 31 March, 2017	0.11	-	-	-	-	-	0.08	-	-	0.19

Footnote:

The figures in light print are for previous year.

44. Commitments

₹ in crore

Particulars	As at 31 March, 2018	As at 31 March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	348.24	146.89
Capital commitment towards investment in joint ventures/subsidiaries	1.20	-
Commitment towards partly paid investments	9.19	-
For commitments related to derivatives and leases refer note 40 and 37 respectively.		
The above commitments include ₹ 1.01 crore (2017 : ₹ 1.88 crore) relating to discontinued operations		

45. Contingent liabilities and assets

45.1 Contingent liabilities

(a) Claims not acknowledged by the Group relating to cases contested by the Group and which, in the opinion of the Management, are not likely to devolve on the Group relating to the following areas:

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(i)	Excise, Customs and Service Tax	49.73	34.38
(ii)	Sales Tax	51.70	56.44
(iii)	Demand for utility charges	14.47	11.02
(iv)	Labour and other claims against the Group not acknowledged as debt	29.59	28.12
(v)	Income Tax (pending before Appellate authorities in respect of which the Group is in appeal)	656.29	500.21
(vi)	Income Tax (decided in Group's favour by Appellate authorities and Department is in further appeal)	47.15	47.15
(vii)	Contractual obligation upto	100.11	-

Item (i) to (vii) above includes ₹ 136.65 crore (upto) (2017: ₹ 45.37 crore) relating to discontinued operations.

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

45.2 Contingent assets

₹ in crore

Particulars		As at 31 March, 2018	As at 31 March, 2017
(a)	Income Tax (pending before Appellate authorities in respect of which the Group is in appeal)	87.02	87.02
(b)	Legal cases	-	0.24

46. Statement of net assets and profit or loss attributable to owners and non-controlling interests

Sr. No.	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income	₹ in crore
	Parent								
	Tata Chemicals Limited	36.32	11,324.14	35.21	1,766.96	87.86	1,031.58	45.20	2,798.54
	Subsidiaries								
	Indian Subsidiaries								
1	Rallis India Limited	3.78	1,178.85	2.82	141.49	(0.01)	(0.16)	2.28	141.33
2	Rallis Chemistry Exports Limited	-	(0.17)	-	(0.01)	-	-	-	(0.01)
3	Metahelix Life Sciences Ltd	0.35	109.57	0.48	23.96	(0.01)	(0.07)	0.39	23.89
4	Zero Waste Agro Organics Ltd.	0.05	16.20	0.04	1.94	-	*	0.03	1.94
5	Ncourage Social Enterprise Foundation	0.00	0.05	-	-	-	-	-	-
	Foreign Subsidiaries								
1	Tata Chemicals International Pte. Limited	10.50	3,274.30	0.69	34.55	-	-	0.56	34.55
2	Homefield Pvt. UK Limited	(3.46)	(1,079.05)	(0.84)	(42.11)	0.21	2.49	(0.64)	(39.62)
3	Homefield 2 UK Limited	0.10	30.54	(0.01)	(0.58)	-	-	(0.01)	(0.58)
4	Tata Chemicals (Europe) Holdings Limited	(1.57)	(488.11)	15.46	775.78	-	-	12.53	775.78
5	Brunner Mond Group Limited	2.04	634.60	0.31	15.43	-	-	0.25	15.43
6	Tata Chemicals Europe Limited	(2.39)	(744.57)	(5.07)	(254.63)	9.43	110.72	(2.32)	(143.91)
7	Tata Chemicals Magadi Limited	(0.60)	(188.33)	0.80	40.37	0.11	1.33	0.67	41.70
8	Tata Chemicals South Africa (Pty) Limited	0.14	44.01	0.26	13.01	-	-	0.21	13.01
9	Northwich Resource Management Limited	-	-	-	-	-	-	-	-
10	Tata Chemicals Africa Holdings Limited	0.01	1.85	(0.09)	(4.33)	-	-	(0.07)	(4.33)
11	Magadi Railway Company Limited	-	0.01	-	-	-	-	-	-
12	Winnington CHP Limited	0.01	2.39	1.14	57.35	1.77	20.80	1.26	78.15
13	Gusiute Holdings (UK) Limited	15.60	4,864.18	2.12	106.33	-	-	1.72	106.33
14	Valley Holdings Inc.	21.00	6,547.88	1.53	76.95	-	-	1.24	76.95
15	Tata Chemicals North America Inc.	2.72	847.10	1.48	74.47	-	-	1.20	74.47
16	TCNA (UK) Limited	0.01	1.70	0.01	0.60	-	-	0.01	0.60
17	General Chemical International Inc.	-	0.01	-	-	-	-	-	-
18	NHO Canada Holdings Inc.	-	-	-	-	-	-	-	-
19	Tata Chemicals (Soda Ash) Partners	4.15	1,294.28	8.91	447.30	-	-	7.22	447.30
20	TCSAP Holdings	0.01	1.90	(0.01)	(0.32)	-	-	(0.01)	(0.32)
21	TCSAP LLC	-	-	0.06	2.93	-	-	0.05	2.93
22	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	9.59	2,988.63	(6.83)	(342.52)	-	-	(5.53)	(342.52)
23	British Salt Limited	0.39	120.50	1.49	74.69	0.63	7.37	1.33	82.06
24	Cheshire Salt Holdings Limited	0.01	3.44	20.53	1,030.21	-	-	16.64	1,030.21
25	Cheshire Salt Limited	0.03	10.07	16.25	815.21	-	-	13.17	815.21
26	Brinefield Storage Limited	-	(0.05)	-	-	-	-	-	-
27	Cheshire Cavity Storage 2 Limited	-	*	-	-	-	-	-	-
28	Cheshire Compressor Limited	-	*	-	-	-	-	-	-
29	Irish Feeds Limited	-	*	-	-	-	-	-	-
30	New Cheshire Salt Works Limited	0.05	15.95	0.02	0.85	-	-	0.01	0.85
31	PT. Metahelix Lifesciences Indonesia	0.01	2.09	(0.02)	(1.17)	-	-	(0.02)	(1.17)
32	ALCAD	0.03	8.79	2.32	116.37	-	-	1.88	116.37

Sr. No.	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income	₹ in crore
	Joint Ventures (Investment as per the Equity method)								
	Foreign								
1	JOil (S) Pte. Ltd. and its subsidiaries	-	-	-	-	-	-	-	-
2	The Block Salt Company Limited	0.01	2.53	(0.00)	(0.02)	-	-	(0.00)	(0.02)
3	Natronx Technologies LLC	-	-	(0.04)	(1.91)	-	-	(0.03)	(1.91)
4	Indo Maroc Phosphore S.A.	1.13	351.42	0.98	48.93	-	-	0.79	48.93
	Total	**100.00**	**31,176.70**	**100.00**	**5,018.08**	**100.00**	**1,174.06**	**100.00**	**6,192.14**
a)	Adjustments arising out of Consolidation		(17,357.83)		(2,315.59)		(65.26)		(2,380.85)
b)	**Non-controlling Interests**								
	Indian Subsidiaries								
	Rallis India Limited		(655.44)		(90.76)		0.15		(90.61)
	Foreign Subsidiaries								
	TCSAP Holdings		(2,060.61)		(179.25)		(11.25)		(190.50)
	PT. Metahelix Lifesciences Indonesia		(1.11)		0.60		-		0.60
			(2,717.16)		**(269.41)**		**(11.10)**		**(280.51)**
	Consolidated		**11,101.71**		**2,433.08**		**1,097.70**		**3,530.78**

* value below ₹ 50,000/-

47. Approval of financial statements

These financial statements were approved for issue by the Board of Directors on 18 May, 2018.

Signatures to notes forming part of the consolidated financial statements 1 - 47

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Tata Chemicals Limited
For the year ended 31 March, 2018
Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary and joint venture companies

₹ in crore

Sr. No.	Name of the Subsidiary Company	Date of acqusition / incorporation	Reporting Currency	Exchange rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Dividend	% holding
1	Tata Chemicals International Pte. Limited	23 October, 2005	USD	65.18	3,846.26	(571.96)	4,751.80	1,477.50	4,520.45	559.15	34.46	0.29	34.17	-	100.00
2	Homefield Pvt UK Limited	01 November, 2005	USD	65.18	811.03	(1,890.08)	47.19	1,126.24	38.67	-	(41.65)	-	(41.65)	-	100.00
3	Homefield 2 UK Limited	14 December, 2010	GBP	92.28	178.86	(148.31)	843.41	812.86	415.87	-	(0.54)	-	(0.54)	-	100.00
4	Tata Chemicals (Europe) Holdings Limited	07 December, 2010	GBP	92.28	178.86	(666.97)	820.82	1,308.93	-	-	714.39	(4.48)	718.86	-	100.00
5	Brunner Mond Group Limited	22 October, 2005	GBP	92.28	543.97	90.62	634.60	-	-	-	14.29	-	14.29	-	100.00
6	Tata Chemicals Europe Limited	22 October, 2005	GBP	92.28	145.70	(890.26)	654.70	1,399.26	-	940.36	(36.23)	199.71	(235.95)	-	100.00
7	Brunner Mond Limited	22 October, 2005	GBP	92.28	-	-	-	-	-	-	-	-	-	-	100.00
8	Tata Chemicals Magadi Limited	28 February, 2005	USD	65.18	284.73	(473.06)	367.99	556.32	-	493.10	39.93	-	39.93	(4.62)	100.00
9	Tata Chemicals South Africa (Pty) Limited	09 April, 1996	ZAR	5.53	*	44.01	92.25	48.24	-	207.78	16.22	4.54	11.68	-	100.00
10	Northwich Resource Management Limited	22 October, 2005	GBP	92.28	*	-	*	-	-	-	-	-	-	-	100.00
11	Tata Chemicals Africa Holdings Limited	22 October, 2005	GBP	92.28	33.74	(31.89)	1.85	-	-	-	(4.01)	-	(4.01)	-	100.00
12	Magadi Railway Company Limited	28 February, 2005	KSH	0.65	0.01	-	0.01	-	-	-	-	-	-	-	100.00
13	Winnington CHP Limited	13 June, 2013	GBP	92.28	-	2.39	233.63	231.24	-	413.92	59.87	6.74	53.14	-	100.00
14	Gusiute Holdings (UK) Limited	04 December, 2007	USD	65.18	4,584.90	279.29	4,866.23	2.05	4,791.65	-	105.16	-	105.16	93.46	100.00
15	Valley Holdings Inc.	30 January, 2008	USD	65.18	*	6,547.88	6,554.68	6.79	6,529.03	-	73.56	(2.54)	76.10	103.80	100.00
16	Tata Chemicals North America Inc.	26 March, 2008	USD	65.18	*	847.10	2,600.12	1,753.02	1,457.48	24.54	(86.35)	(160.00)	73.65	79.54	100.00
17	Tata Chemicals North America (UK) Limited	22 August, 2014	USD	65.18	-	1.70	8.98	7.28	-	169.08	0.75	0.15	0.60	-	100.00
18	General Chemical International Inc.	26 March, 2008	USD	65.18	0.01	-	0.01	-	-	-	-	-	-	-	100.00
19	NHO Canada Holdings Inc.	26 March, 2008	USD	65.18	*	-	*	-	-	-	-	-	-	-	100.00
20	Tata Chemicals (Soda Ash) Partners $	26 March, 2008	USD	65.18	-	1,294.28	2,246.43	952.15	-	3,030.01	442.36	-	442.36	348.06	75.00
21	TCSAP Holdings $	26 March, 2008	USD	65.18	-	1.90	1.90	-	-	-	(0.32)	-	(0.32)	-	75.00
22	TCSAP LLC	26 March, 2008	USD	65.18	-	-	-	-	-	-	2.90	-	2.90	2.90	75.00
23	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	11 October, 2008	USD	65.18	3,708.60	(719.97)	3,955.54	966.91	3,895.55	-	(338.42)	0.31	(338.73)	-	100.00
24	Rallis India Limited	18 January, 2012	INR	1.00	19.45	1,159.40	1,733.45	554.60	619.12	1,515.94	191.26	49.77	141.49	-	50.06
25	Rallis Chemistry Exports Limited	15 September, 2010	INR	1.00	0.05	(0.22)	0.01	0.19	-	-	(0.01)	-	(0.01)	-	100.00
26	Metahelix Life Sciences Ltd	30 December, 2010	INR	1.00	0.11	109.46	365.09	255.52	2.04	318.95	34.19	10.23	23.96	2.04	100.00
27	Zero Waste Agro Organics Ltd.	18 October, 2012	INR	1.00	0.07	16.12	17.52	1.33	-	9.98	2.54	0.61	1.94	-	100.00
28	PT. Metahelix Lifesciences Indonesia	19 May, 2016	Rupiah	0.00	3.80	(1.71)	2.17	0.08	-	0.49	(1.17)	-	(1.17)	-	65.77
29	British Salt Limited	18 January, 2011	GBP	92.28	3.42	117.08	589.17	468.67	6.55	326.69	80.70	11.49	69.21	751.56	100.00
30	Cheshire Salt Holdings Limited	18 January, 2011	GBP	92.28	1.19	2.25	3.44	-	3.42	-	954.63	-	954.63	951.21	100.00
31	Cheshire Salt Limited	18 January, 2011	GBP	92.28	3.42	6.65	10.09	0.02	3.42	-	755.86	0.46	755.40	954.63	100.00
32	Brinefield Storage Limited	18 January, 2011	GBP	92.28	0.01	(0.06)	-	0.05	-	-	-	-	-	-	100.00
33	Cheshire Cavity Storage 2 Limited	18 January, 2011	GBP	92.28	*	-	*	-	-	-	-	-	-	-	100.00
34	Cheshire Compressor Limited	18 January, 2011	GBP	92.28	*	-	*	-	-	-	-	-	-	-	100.00
35	Irish Feeds Limited	18 January, 2011	GBP	92.28	*	-	*	-	-	-	-	-	-	-	100.00
36	New Cheshire Salt Works Limited	18 January, 2011	GBP	92.28	6.52	9.44	15.95	-	1.26	-	0.79	-	0.79	-	100.00
37	ALCAD	26 March, 2008	USD	65.18	-	8.79	39.46	30.67	-	353.37	115.09	-	115.09	-	50.00
38	Ncourage Social Enterprise Foundation	08 December, 2017	INR	1.00	0.05	(0.00)	0.05	*	-	-	(0.00)	-	(0.00)	-	100.00

Footnotes:

1. The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.
2. @ Shares issued with no par value
3. $ Partner's capital included as reserves
4. Ncourage Social Enterprise Foundation is incorporated with effect from 8 December, 2017
5. Value below ₹ 50,000.

Tata Chemicals Limited
For the year ended 31 March, 2018
Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary and joint venture companies (contd.)

₹ in crore

Sr. No.	Name	Joint Ventures	Date of acqusition	Currency	Latest audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year Considered in Consolidation	Profit / Loss for the year Not Considered in Consolidation
						Number of Shares	Amount of Investment in Joint Venture	Extend of Holding %					
1	JOil (S) Pte. Limited	Joint Ventures	28 January, 2009	SGD	31 March, 2018 and note 1	2,50,00,000	126.23	33.78%	Note 4	Note 5	-	-	Not Applicable
2	The Block Salt Company Limited	Joint Ventures	18 January, 2011	GBP	31 March, 2018	15,00,00,000	1.28	50.00%	Note 4	Not Applicable	2.53	(0.02)	Not Applicable
3	Natronx Technologies LLC	Joint Ventures	26 March, 2008	USD	31 March, 2018 and note 1	-	-	24.98%	Note 3	Not Applicable	-	(1.91)	Not Applicable
4	Indo Maroc Phosphore S.A.	Joint Ventures	02 May, 2005	MAD	31 December, 2017 and note 2	2,06,666	166.26	33.33%	Note 4	Not Applicable	351.42	48.93	Not Applicable

Footnotes:

1 Investment impaired during the year ended 31 March, 2015
2 Local GAAP Financial Statement audited as on 31 December, 2017 and figures are based on audited fit for consolidation statement as on 31 March, 2018
3 There is significant influence due to interest in joint control over economic activities
4 There is significant influence due to shareholding and joint control over the economic activities
5 Since the Group has no further commitment to absorb losses in excess of its investment, it has not accounted for additional losses reported by JOil.

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

Vijay Mathur
Partner
Membership No. 046476
Mumbai, 18 May, 2018

John Mulhall Chief Financial Officer
Rajiv Chandan General Counsel & Company Secretary

For and on behalf of the Board
Bhaskar Bhat Director
Nasser Munjee Director
Dr. Y. S. P. Thorat Director
Vibha Paul Rishi Director
S. Padmanabhan Director
Padmini Khare Kaicker Director
R. Mukundan Managing Director and CEO
Zarir Langrana Executive Director

Notice

NOTICE IS HEREBY GIVEN THAT THE SEVENTY NINTH ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Wednesday, 25 July, 2018 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March, 2018, together with the Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2018, together with the Report of the Auditors thereon.

3. To declare dividend on the Ordinary Shares for the financial year ended 31 March, 2018.

4. To appoint a Director in place of Mr. Bhaskar Bhat (DIN: 00148778), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. Appointment of Ms. Padmini Khare Kaicker as a Director and as an Independent Director of the Company

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Ms. Padmini Khare Kaicker (DIN: 00296388) who was appointed as an Additional Director of the Company with effect from 1 April, 2018 by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the appointment of Ms. Padmini Khare Kaicker (DIN: 00296388), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from 1 April, 2018 to 31 March, 2023 (both days inclusive), be and is hereby approved."

6. Appointment of Mr. Zarir Langrana as a Director of the Company

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Zarir Langrana (DIN: 06362438) who was appointed as an Additional Director of the Company with effect from 1 April, 2018 by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

7. Appointment of Mr. Zarir Langrana as Executive Director of the Company

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Zarir Langrana (DIN: 06362438) as an Executive Director of the Company for a period of 5 years commencing from 1 April, 2018 upto 31 March, 2023, upon the terms and conditions as set out in the Explanatory Statement annexed to this Notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may 4be agreed to between the Board and Mr. Langrana.

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

8. Revision in the terms of remuneration of Mr. R. Mukundan, Managing Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of Resolution No. 10 passed at the Annual General Meeting of the Company held on 21 August, 2014 for the re-appointment and terms of remuneration of Mr. R. Mukundan (DIN: 00778253) as Managing Director of the Company and pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the revision in terms of remuneration of Mr. R. Mukundan, Managing Director, by increasing the upper limit of the scale of salary from ₹ 8,00,000 per month to ₹ 9,00,000 per month with authority to the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1 April, 2018 upto the remainder period of the tenure of his appointment i.e. 25 November, 2018.

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

9. Re-appointment of Mr. R. Mukundan as Managing Director & CEO of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the re-appointment and terms of remuneration of Mr. R. Mukundan (DIN: 00778253) as the Managing Director & CEO of the Company for a period of 5 years commencing from 26 November, 2018 upto 25 November, 2023, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration in such manner as may be agreed to between the Board and Mr. Mukundan.

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

10. Payment of commission to Non-Executive Directors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof], consent of the Company be and is hereby accorded to the payment of commission to the Non-Executive Director and Independent Directors of the Company (other than the Managing Director and/or Whole-time Directors) to be determined by the Board of Directors for each Non-Executive Director and Independent Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) per annum or such other percentage as may be specified by the Act from time to time in this regard, of the net profits of the Company, to be calculated in accordance with the provisions of Section 198 of the Act.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

11. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], the Company hereby ratifies the remuneration of ₹ 9,00,000 per annum plus service tax, travel and out-of-pocket expenses payable to Messrs D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company for the year ending 31 March, 2019.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business as set out in Item Nos. 5 to 11 of the Notice and the relevant details of the Directors seeking appointment/re-appointment as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM. A Proxy form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.

   A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3. Book Closure and Dividend:

   The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 18 July, 2018 to Wednesday, 25 July, 2018, both days inclusive.

   The dividend, if declared at the AGM, will be paid on and from Friday, 27 July, 2018 to those persons:

   (a) whose names appear as beneficial owners as at the end of the business hours on Tuesday, 17 July, 2018 in the list of beneficial owners to be furnished by the National Securities Depository Limited ('NSDL') 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 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before Tuesday, 17 July, 2018.

4. National Automated Clearing House (NACH):

   (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided NACH facility to the members for the remittance of dividend. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited.

   (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant(s) of the members.

5. Members holding shares in physical form are requested to consider converting their holding(s) to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar and Share Transfer Agents for assistance in this regard.

6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

7. Members/proxyholders and authorised representatives are requested to bring to the Meeting, the duly filled in attendance slip(s) enclosed herewith along with their copy of Annual Report. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company a certified copy of the Board Resolution authorising representative to attend and vote on its behalf at the Meeting.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Nomination Facility:

   As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Members holding shares in physical form are requested to obtain the nomination forms from the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form may obtain the nomination forms from their respective depository participants. Both the forms are also available on the website of the Company at www.tatachemicals.com under 'Investors' section.

10. Transfer to Investor Education and Protection Fund:

(i) Transfer of Unclaimed dividend

Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven years (from the date of transfer to Unclaimed Dividend Account) to the credit of the Investor Education and Protection Fund ('the IEPF'). In view of the same, an amount of ₹ 1,36,29,645 being the unclaimed dividend for FY 2009-10 was transferred to the IEPF Authority in October, 2017.

Members are requested to note the following due date(s) for claiming the unpaid/unclaimed dividend declared by the Company for the financial year 2010-11 and thereafter –

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2010-11	9 August, 2011	8 September, 2018
2011-12	22 August, 2012	21 September, 2019
2012-13	26 August, 2013	25 September, 2020
2013-14	21 August, 2014	20 September, 2021
2014-15	11 August, 2015	10 September, 2022
2015-16	11 August, 2016	10 September, 2023
2016-17	9 August, 2017	8 September, 2024

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s), are requested to make their claim to TSR Darashaw Limited, Registrar and Share Transfer Agents, well in advance of the above due dates.

(ii) Transfer of shares

Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividends remain unpaid/unclaimed for a period of 7 (seven) consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the Company has transferred 10,01,576 Ordinary Shares of the face value of ₹ 10 per share to the demat account of the IEPF Authority during the financial year 2017-18.

The Company has sent individual notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement in this regard. The details of such dividends/shares to be transferred to IEPF are uploaded on the website of the Company at www.tatachemicals.com under the 'Investors' section.

(iii) Claim from IEPF Authority

Members/claimants whose shares and unclaimed dividend have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in Form IEPF- 5 along with requisite documents (available on www.iepf.gov.in) and sending duly signed physical copy of the same to the Company along with requisite documents prescribed in Form IEPF-5. Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Link to Form IEPF- 5 is also available on the website of the Company at www.tatachemicals.com under the 'Investors' section. No claims shall lie against the Company in respect of the dividend/shares so transferred.

(iv) Details of unclaimed dividend on the website

As per the IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends as on the date of the previous AGM i.e. 9 August, 2017 (78th AGM) on the website of the IEPF viz. www.iepf.gov.in and under 'Investors' section on the website of the Company viz. www.tatachemicals.com.

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified.

12. Members holding shares in electronic form are requested to submit the PAN and Bank Account details to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are required to submit their PAN and Bank Account details to the Company's Registrar and Share Transfer Agents.

13. To support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with Registrars/Depository Participant(s). Electronic copy of the Annual Report for Financial Year 2017-18 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2017-18 are being sent in the permitted mode.

14. Members desiring any information relating to Accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready at the AGM.

15. A route map along with landmark showing directions to reach the venue of the 79th AGM forms part of the Annual Report.

16. Process and Manner for voting through electronic means:

I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the members are provided with the facility to exercise their right to vote electronically, through the e-voting services provided by NSDL, i.e. facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) on all the resolutions set forth in this Notice. Instructions for remote e-voting are given herein below.

II. The facility for voting through electronic voting system or by ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

III. The remote e-voting period commences on Friday, 20 July, 2018 (9.00 a.m. IST) and ends on Tuesday, 24 July, 2018 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Wednesday, 18 July, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. Members who have cast their vote by remote e-voting prior to the AGM are also eligible to attend the meeting but shall not be entitled to cast their vote again.

IV. The process and manner for remote e-voting are as under:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of Company which is 108438.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to tcl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

V. In case of any queries, members may refer the Frequently Asked Questions (FAQs) and remote e-voting user manual available in the downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990. In order to address any grievances relating to e-voting, you may write to Mr. Mandar Gaikwad, NSDL at the designated email id - evoting@nsdl.co.in or mandarg@nsdl.co.in or at the following telephone no. 022-24994559.

VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 18 July, 2018.

IX. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, 18 July, 2018, may obtain the user ID and password by sending a request at evoting@nsdl.co.in or investors@tatachemicals.com.

   However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

XI. Mr. P. N. Parikh (Membership No. FCS 327) and failing him, Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize remote e-voting process as well as voting at the AGM in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of e-Voting or by ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and, thereafter unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIV. The results declared alongwith the Scrutinizer's Report, shall be placed on the website of the Company www.tatachemicals.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz. BSE Limited and the National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the registered office of the Company.

XV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM i.e. Wednesday, 25 July, 2018.

By Order of the Board of Directors

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 18 May, 2018

Registered Office:
Tata Chemicals Limited
Bombay House, 24, Homi Mody Street,
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Tel. No: + 91 22 6665 8282
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Email: investors@tatachemicals.com
Website: www.tatachemicals.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 11 of the accompanying Notice dated 18 May, 2018:

Item No. 5

At the Board Meeting of the Company held on 23 March, 2018, the Board had, based on the recommendations of the Nomination and Remuneration Committee, appointed Ms. Padmini Khare Kaicker as an Additional Director of the Company with effect from 1 April, 2018. In terms of Section 161(1) of the Act, Ms. Kaicker holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing her candidature for the office of Director.

Based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members, Ms. Padmini Khare Kaicker was also appointed as an Independent Director of the Company for a period of 5 years commencing from 1 April, 2018 to 31 March, 2023, in accordance with the provisions of Section 149 of the Companies Act, 2013 ('the Act') read with Schedule IV.

Ms. Kaicker, aged 53 years, is the Managing Partner of B. K. Khare & Co., one of the leading and respected Indian Accounting Firms, serving the profession for almost five decades. She joined the accountancy profession in 1990 after completing her B. Sc. in Mathematics. She is also a Certified Public Accountant (USA) and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India. She has over 25 years of experience serving large and mid-sized clients in several sectors in the areas of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring activities. She is on the Boards, as Independent Director, in several reputed companies.

Ms. Kaicker has consented to act as Director of the Company and has given her declaration to the Board that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Ms. Kaicker is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Ms. Kaicker fulfills the conditions specified under the Act read with Rules thereunder and the Listing Regulations for her appointment as Independent Non-Executive Director of the Company and is independent of the management. Having regard to the qualifications, experience and knowledge, the Board considers that her association would be of immense benefit to the Company and it is desirable to avail the services of Ms. Kaicker as an Independent Director.

As per the provisions of Section 149 of the Act, Ms. Kaicker shall hold office for a term of five consecutive years on the Board of the Company and is not liable to retire by rotation.

The terms and conditions of her appointment shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day (except Saturday) and will also be kept at the venue during the AGM. The same shall also be made available on the website of the Company at www.tatachemicals.com

Accordingly, the Board commends the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice in relation to the appointment of Ms. Kaicker as an Independent Director for a period of 5 years commencing from 1 April, 2018 to 31 March, 2023 for the approval of the Members.

Except Ms. Kaicker, none of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice. Ms. Kaicker is not related to any other Director or KMP of the Company.

Item Nos. 6 and 7

At the Board Meeting of the Company held on 23 March, 2018, the Board had, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members, appointed Mr. Zarir Langrana as Executive Director of the Company for a period of 5 years commencing from 1 April, 2018 to 31 March, 2023, in accordance with the provisions of Sections 196 and 197 read with Schedule V of the Act.

Mr. Langrana was appointed as an Additional Director of the Company with effect from 1 April, 2018 by the Board of Directors. In terms of Section 161(1) of the Act, Mr. Langrana holds office upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Mr. Zarir Langrana, aged 59 years, heads the Global Chemicals Business of the Company and is responsible for operations and growth of the inorganic chemicals business and the new ventures in Nutritional Solutions and Silica.

In the past, Mr. Langrana has headed the global marketing and strategy function overseeing and directing all sales and marketing plans, developments, growth and new product activities and processes in these two areas for its global chemicals business across the four continents where it operates. In addition, Mr. Langrana has led the post-merger integration programmes within the chemical business. In the past, he headed the corporate strategy and business development function and has been a key player in the global inorganic growth of the business and in the M&A process. He has been with Tata Chemicals for over thirty years, having been inducted through the Tata Administrative Services.

Mr. Langrana is an economics graduate from the University of Madras and holds a post graduate qualification in business management from XLRI, Jamshedpur. Mr. Langrana has attended advanced executive development programmes at Harvard Business School and other institutions.

Mr. Langrana is an active participant in various industry bodies and trade associations in the country and abroad. He serves on the Board of overseas subsidiaries of the Company.

The principal terms and conditions of Mr. Langrana's appointment as the Executive Director (hereinafter referred to as 'Mr. Langrana' or the 'the Executive Director') are as follows:

Period of Appointment: From 1 April, 2018 upto 31 March, 2023 (both days inclusive).

Duties and Powers

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

(ii) The Executive Director shall not exceed the powers so delegated by the Managing Director and/or Board pursuant to clause (i) above.

(iii) The Executive Director undertakes to employ the best of his skills and abilities to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Managing Director and/or the Board.

Remuneration

A. **Salary:** ₹ 5,00,000 per month in the scale of ₹ 5,00,000 to ₹ 8,00,000 per month. The annual increments which will be effective 1 April each year (starting from April 2019) will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee and will be merit-based and take into account the Company's performance as well.

B. **Benefits, Perquisites, Allowances:** In addition to the basic salary referred to in (A) above, the Executive Director shall be entitled to:

   (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

   OR

   House Rent, House Maintenance and Utility Allowances aggregating 85% of the annual basic salary in case residential accommodation is not provided by the Company.

(ii) Following other facilities as per the Rules of the Company:

   a. Hospitalization and major medical expenses;

   b. Car facility;

   c. Telecommunication facilities;

   d. Housing Loan

(iii) Other Perquisites and Allowances:

Other Perquisites and Allowances including Medical Allowance, Leave Travel Concession/Allowance, Other Allowances (including any special allowance), Personal Accident Insurance Premium and Annual Club Membership Fees subject to a maximum of 55% of the annual basic salary.

(iv) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.

(v) The Executive Director shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Executive Director is encashable in accordance with the Rules of the Company.

C. **Commission:** Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 or any modification(s) or the re-enactment(s) thereof. The specific amount payable to the Executive Director will be based on performance as evaluated by the Nomination and Remuneration Committee or the Board and will be payable annually.

D. **Incentive Remuneration:** In case where the net profits of the Company are inadequate for payment of profit-linked commission in any financial year, incentive remuneration may be paid upto an amount not exceeding 200% of Basic Salary paid at the discretion of the Board. This incentive remuneration would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board.

An indicative list of factors that may be considered for determining the extent of commission/incentive remuneration, by the Board which will be payable annually after the Annual Accounts have been approved, are:

i. Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.

ii. Industry benchmarks of remuneration.

iii. Performance of the individual.

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

F. **Insurance:** The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

G. **Other Terms of Appointment:**

i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

ii. The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.

iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice.

iv. The employment of the Executive Director may be terminated by the Company without notice or payment in lieu of notice:

- if the Executive Director, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
- in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
- in the event the Board expresses its loss of confidence in the Executive Director.

v. In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

vi. Upon the termination by whatever means of employment of the Executive Director:

- the Executive Director shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.

- the Executive Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.

vii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise.

viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Executive Director and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and the Executive Director of the Company.

ix. The terms and conditions of appointment of the Executive Director also includes adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

Mr. Langrana satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Having regard to the qualifications, experience and knowledge, the Directors are of the view that the appointment of Mr. Langrana as Executive Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

Accordingly, the Board commends the Ordinary Resolutions as set out at Item Nos. 6 and 7 of the accompanying Notice in relation to the appointment of Mr. Langrana as an Executive Director for a period of 5 years from 1 April, 2018 to 31 March, 2023 for the approval of the Members pursuant to the provisions of Sections 196, 197 and198 read with Schedule V of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Zarir Langrana under Section 190 of the Act.

Except Mr. Langrana, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 6 and 7 of the accompanying Notice. Mr. Langrana is not related to any other Director or KMP of the Company.

Item No. 8

At the AGM held on 21 August, 2014, the Members of the Company had approved of the re-appointment and terms of remuneration of Mr. R. Mukundan, Managing Director of the Company for a period of 5 years from 26 November, 2013 upto 25 November, 2018, including, *inter alia*, salary scale of ₹ 5,50,000 per month to ₹ 8,00,000 per month, with authority to the Board to fix his salary within the above mentioned scale.

Taking into consideration the remaining tenure of appointment of Mr. Mukundan, size of the Company and the responsibilities cast on Mr. Mukundan, Managing Director, on the recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on 18 May, 2018 has, subject to the approval of the Members of the Company, revised the upper limit of the scale of salary from ₹ 8,00,000 per month to ₹ 9,00,000 per month with effect from 1 April, 2018 upto the remaining tenure of his appointment i.e. upto 25 November, 2018, with proportionate increase in the benefits related to his salary. All other terms and conditions of re-appointment of Mr. R. Mukundan, Managing Director of the Company, as approved at the AGM of the Company held on 21 August, 2014, remain unchanged.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V as amended and as in force from time to time.

In compliance with the provisions of Sections 197, 198 read with Schedule V and other applicable provisions of the Act, the revised terms of remuneration specified above are now being placed before the Members for their approval.

The Directors are of the view that the remuneration payable to Mr. R. Mukundan as Managing Director is commensurate with his abilities and experience, and accordingly, commend the resolution at Item No. 8 of the accompanying Notice for approval of the Members of the Company.

Other than Mr. R. Mukundan, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is in any way concerned or interested, financially or otherwise, in the resolution at Item No. 8 of the accompanying Notice.

Mr. R. Mukundan is not related to any other Director or KMP of the Company.

Item No. 9

At the AGM held on 21 August, 2014, the Members of the Company had approved of the re-appointment and terms of remuneration of Mr. R. Mukundan, Managing Director of the Company for a period of 5 years from 26 November, 2013 upto 25 November, 2018, including, *inter alia*, salary scale of ₹ 5,50,000 per month to ₹ 8,00,000 per month, with authority to the Board to fix his salary within the above mentioned scale.

Based on the recommendations of the Nomination and Remuneration Committee, the Board has, vide resolution passed on 18 May, 2018, re-appointed Mr. Mukundan as the Managing Director & CEO of the Company for a period commencing from 26 November, 2018 upto 25 November, 2023, subject to approval of the Members.

Mr. Mukundan, aged 51 years, is an MBA from FMS, Delhi University and BE-Electrical Engineering from IIT, Roorkee. He has attended the Advanced Management Programme at Harvard Business School. He joined the Tata Administrative Service in 1990. He joined Tata Chemicals Limited in 2001 and has led various functions like strategy and business development, corporate quality, corporate planning and manufacturing before taking over as the Chief Operating Officer of the chemicals business of the Company. He played an active role in the Company's transformation efforts in 2002, and also in the growth of domestic business as well as acquisition of new facilities in United Kingdom, Kenya and United States. He serves as Director on the Boards of certain Tata group companies. He also serves on executive committees of various industry forums viz. the Confederation of Indian Industry, Bombay Chamber of Commerce and Industry, Employers' Federation of India, All India Management Association, etc.

The principal terms and conditions of Mr. Mukundan's appointment as the Managing Director & CEO (hereinafter referred to as 'Mr. Mukundan' or 'the Managing Director & CEO') are as follows:

Period of Appointment: From 26 November, 2018 upto 25 November, 2023 (both days inclusive).

Remuneration

A. **Salary:** ₹ 9,00,000 per month in the scale of ₹ 8,00,000 to ₹ 15,00,000 per month. The annual increments which will be effective 1 April each year (starting from April 2019) will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee and will be merit-based and take into account the Company's performance as well.

B. **Benefits, Perquisites, Allowances:** In addition to the basic salary referred to in (A) above, the Managing Director & CEO shall be entitled to:

(i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the annual basic salary in case residential accommodation is not provided by the Company.

(ii) Following other facilities as per the Rules of the Company:

a. Hospitalization and major medical expenses;

b. Car facility;

c. Telecommunication facilities;

d. Housing Loan;

(iii) Other Perquisites and Allowances:

Other Perquisites and Allowances including Medical Allowance, Leave Travel Concession/Allowance, Other Allowances (including any special allowance), Personal Accident Insurance Premium and Annual Club Membership Fees subject to a maximum of 55% of the annual basic salary.

(iv) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.

(v) The Managing Director & CEO shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director & CEO is encashable in accordance with the Rules of the Company.

C. **Commission:** Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 or any modification(s) or enactment(s) thereof. The specific amount payable to the Managing Director & CEO will be based on performance as evaluated by the Nomination and Remuneration Committee or the Board and will be payable annually.

D. **Incentive Remuneration:** In case where the net profits of the Company are inadequate for payment of profit-linked commission in any financial year, incentive remuneration may be paid upto an amount not exceeding 200% of Basic Salary paid at the discretion of the Board. This incentive remuneration would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board.

An indicative list of factors that may be considered for determining the extent of commission/incentive remuneration, by the Board which will be payable annually after the Annual Accounts have been approved, are:

i. Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.

ii. Industry benchmarks of remuneration.

iii. Performance of the individual.

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

F. **Insurance:** The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

G. **Other Terms of Appointment:**

i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.

ii. The Managing Director & CEO shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice.

iv. The employment of the Managing Director & CEO may be terminated by the Company without notice or payment in lieu of notice:

- if the Managing Director & CEO, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
- in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Managing Director & CEO, of any of the stipulations contained in the Agreement to be executed between the Company and the Managing Director & CEO; or
- in the event the Board expresses its loss of confidence in the Managing Director & CEO.

v. In the event the Managing Director & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

vi. Upon the termination by whatever means of employment of the Managing Director & CEO:

- the Managing Director & CEO shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.
- the Managing Director & CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.

vii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.

viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Managing Director & CEO and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and the Managing Director & CEO of the Company.

ix. The terms and conditions of re-appointment with the Managing Director & CEO also includes adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

Mr. Mukundan satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Having regard to the qualification, experience and knowledge, the Directors are of the view that the re-appointment of Mr. Mukundan as Managing Director & CEO will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

Accordingly, the Board commends the Ordinary Resolution as set out at Item No. 9 of the accompanying Notice in relation to the appointment of Mr. Mukundan as Managing Director & CEO for a period of 5 years commencing from 26 November, 2018 to 25 November, 2023 for the approval of the Members pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Mukundan under Section 190 of the Act.

Except Mr. Mukundan, none of the Directors or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice. Mr. Mukundan is not related to any other Director or KMP of the Company.

Item No. 10

At the AGM of the Company held on 26 August, 2013, the Members had approved of the payment of commission to the Non Executive Directors and Independent Directors of the Company (other than the Managing Director and/or Whole-time Directors) not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from 1 April, 2013. It is proposed to continue with the payment of Commission to the Non Executive Directors and Independent Directors of the

Company. Accordingly, it is proposed that in terms of Section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid, for each financial years, remuneration not exceeding one percent per annum of the net profits of the Company or such other percentage as may be specified by the Act from time to time in this regard, computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board on the recommendation of the Nomination and Remuneration Committee. The payment of commission would be in addition to the sitting fees payable for attending the meetings of the Board and Committees.

The Board commends the resolution set out at Item No. 10 of the accompanying Notice for the approval of the Members of the Company by way of an Ordinary Resolution.

All the Directors of the Company, except the Managing Director & CEO and the Executive Director, and their relatives are deemed to be concerned or interested in the Resolution at Item No. 10 of the accompanying Notice to the extent of the remuneration that may be received by each of them.

None of the Whole-time Directors (i.e. Managing Director & CEO and Executive Director) or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 11

The Company is directed under the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 ('the Rules'), as amended from time to time, to have the audit of its cost records conducted by a cost accountant in practice. Further, in accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of Messrs D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2019 at a remuneration of ₹ 9,00,000 per annum plus applicable taxes, travel and out of pocket expenses.

Accordingly, consent of the Members is being sought by way of an Ordinary Resolution as set out at Item No. 11 of the accompanying Notice for ratification of the remuneration amounting to ₹ 9,00,000 per annum plus applicable taxes, travel and out of pocket expenses payable to the Cost Auditors for the financial year ending 31 March, 2019.

The Board accordingly commends the resolution set out at Item No. 11 of the accompanying Notice for the approval of the Members.

None of the Directors or KMP or relatives of Directors and KMP is in any way concerned or interested, financially or otherwise, in the Resolution at Item No. 11 of the accompanying Notice.

By Order of the Board of Directors

Rajiv Chandan
General Counsel & Company Secretary

Mumbai, 18 May, 2018

Registered Office:
Tata Chemicals Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai 400 001
CIN: L24239MH1939PLC002893
Tel. No: + 91 22 6665 8282
Fax No: + 91 22 6665 8144
Email: investors@tatachemicals.com
Website: www.tatachemicals.com

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Name of the Director	Mr. Bhaskar Bhat	Mr. R. Mukundan	Ms. Padmini Khare Kaicker	Mr. Zarir Langrana
DIN	00148778	00778253	00296388	06362438
Date of Birth	29 August, 1954	19 September, 1966	15 April, 1965	12 February, 1959
Age	63 years	51 years	53 years	59 years
Date of first appointment	23 December, 2016	26 November, 2008	1 April, 2018	1 April, 2018
Qualifications	Graduated in Mechanical Engineering from IIT, Madras and PGDBM from IIM, Ahmedabad.	BE (Electrical Engineering) from IIT, Roorkee; MBA from FMS, Delhi University; Advanced Management Programme at Harvard Business School	B. Sc. in Mathematics Certified Public Accountant (USA) and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India.	Economics graduate from the University of Madras and post graduate qualification in business management from XLRI, Jamshedpur; Advanced Management Programme at Harvard Business School
Expertise in specific functional areas	Mr. Bhaskar Bhat has extensive experience and expertise in sales and marketing. He is the Managing Director of Titan Company Limited since April 2002. At Titan, Mr. Bhat has dealt with Sales & Marketing, HR, international business and various general managerial assignments.	Mr. R. Mukundan has wide experience in the field of strategy, operations and general management.	Ms. Kaicker has over 25 years of experience in the areas of Audit, Taxation, Corporate Finance, Corporate Advisory, Risk Management, Corporate Governance, M&A and restructuring activities.	Mr. Langrana has over 30 years of extensive experience in the field of sales and marketing, strategy, operations and general management
Terms and conditions of appointment or reappointment	N.A.	Re-appointed for a period of 5 years up to 25 November, 2023 (Please refer to Item No. 9 of the Notice)	Appointed for a period of 5 years up to 31 March, 2023 (Please refer to Item No. 5 of the Notice)	Appointed for a period of 5 years up to 31 March, 2023 (Please refer to Item No. 6 and 7 of the Notice)
Details of remuneration last drawn (FY 2017-18)	Sitting Fees: ₹ 3,90,000 Commission: Nil^	₹ 5.84 crore	N. A.	N.A.
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	• Titan Company Limited (Managing Director)* • Titan Time Products Limited • Titan Engineering & Automation Limited • Trent Limited* • Bosch Limited* • Rallis India Limited* • Tata SIA Airlines Limited • Tata Sons Limited	• Rallis India Limited* • Tata International Limited • Metahelix Life Sciences Limited	• Tata Cleantech Capital Limited • TAL Manufacturing Solutions Limited • Rallis India Limited* • Kotak Mahindra Investments Limited	NIL

Membership of Committees / Chairmanship in other Public Limited Companies	• **Titan Company Limited** - Board Ethics Committee (Member) - Stakeholders Relationship Committee (Member) - Risk Management Committee (Member) - CSR Committee (Member) • **Trent Limited** - Nomination and Remuneration Committee (Member) - Corporate Social Responsibility Committee (Member) - Executive Committee (Member) • **Bosch Limited** - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Corporate Social Committee (Chairman) - Share Transfer Committee (Member) • **Tata SIA Airlines Limited** - Audit Committee (Member) • **Rallis India Limited** - Executive Committee (Chairman) - Nomination and Remuneration Committee (Member)	• **Rallis India Limited** - Executive Committee of Board (Member) - Nomination and Remuneration Committee (Member) • **Tata International Limited** - Corporate Social Responsibility Committee (Member) - Nomination and Remuneration Committee (Chairman) • **Metahelix Life Sciences Limited** - Nomination and Remuneration Committee (Member)	• **Tata Cleantech Capital Limited** - Audit Committee (Chairperson) - Nomination and Remuneration Committee (Member) - Corporate Social Responsibility Committee (Member) - Asset Purchase Committee (Member) • **TAL Manufacturing Solutions Limited** - Audit Committee (Chairperson) - Nomination and Remuneration Committee (Member) • Rallis India Limited - Audit Committee (Chairperson) • **Kotak Mahindra Investments Limited** - Audit Committee (Chairperson) - Nomination and Remuneration Committee (Member)	• NIL
No. of Board meetings attended during the year	9	9	N.A.	N. A.
No. of shares held:				
(a) Own	-	500	-	3,666
(b) For other persons on a beneficial basis	-	NIL	-	NIL

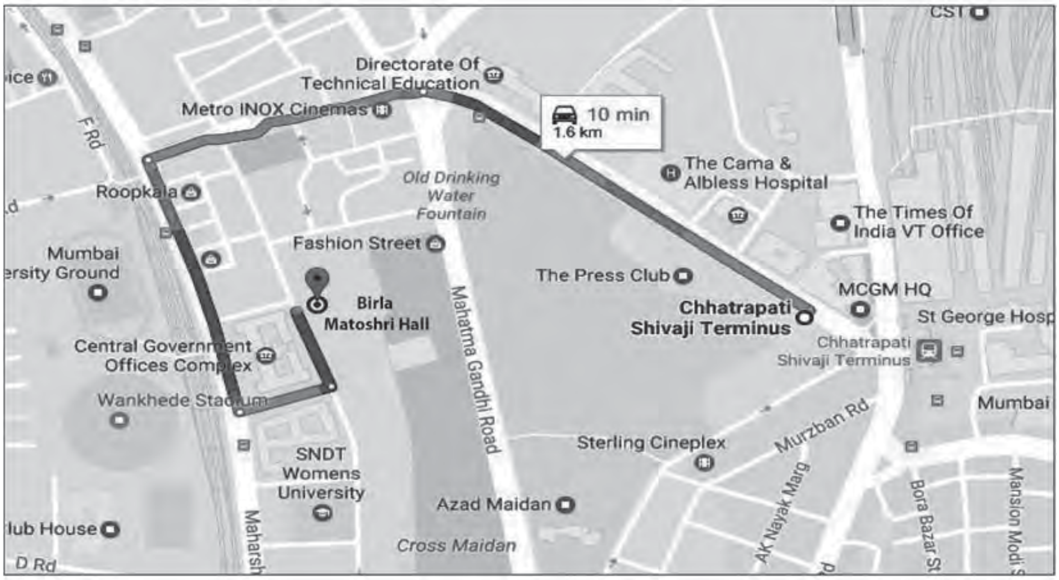
^ *In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat and Mr. S. Padmanabhan, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies.*

* *Listed company*

Mr. Bhaskar Bhat is not related to any other Director or Key Managerial Personnel

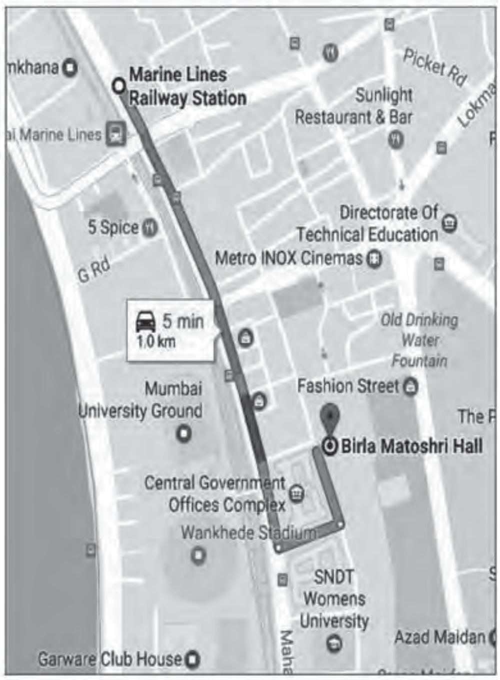
Route Map to the AGM Venue

Venue: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020. **Landmark:** Next to Bombay Hospital



Distance From Chhatrapti Shivaji Terminus: 1.6 km

Distance from Churchgate Railway Station: 0.65 km



Distance from Marine Line Railway Station: 1 km

To,
TSR Darashaw Limited
Unit: Tata Chemicals Limited
6-10 Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

Updation of Shareholder Information

I/We request you to record the following information against my/our Folio No.:
General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: @	
Name of the Bank:	
Bank Branch Address:	

@ A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/we hold the securities under the above mentioned Folio No./Beneficiary account.

Place: ______________________________

Date: ______________________________

____
Signature of Sole/First holder

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FINANCIAL STATISTICS - Standalone

	CAPITAL ACCOUNTS					REVENUE ACCOUNTS								
Year	Share Capital	Reserves	Borrowings@	Capital Employed	Net Block#	Gross revenue	Expenses	Depreciation	Profit before taxes	Taxes	Distributable profit for the year	Earnings per Ordinary share (Basic)	Dividend per Ordinary share	Net worth per Ordinary Share
	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹ in lakh	₹	₹	₹
1944-45	152	8	69	229	179	16	29	—	(13)	—	—	—	—	8.11
1949-50	152	10	126	288	223	116	107	9	—	—	—	0.07	—	7.83
1954-55	192	24	86	302	210	223	191	18	14	—	14	1.03	—	10.80
1959-60	312	64	325	701	501	351	303	21	27	1	12	0.90	0.60	11.68
1964-65	362	220	281	863	643	876	649	72	155	63	80	2.91	1.60	15.52
1974-75	994	906	1189	3089	2390	3464	2652	201	611	250	309	3.82	1.60	18.06
1979-80	994	2036	2848	5878	4432	5860	4421	513	926	364	434	5.97	2.00	31.80
1984-85	1594	6705	11987	20286	9715	13570	10429	968	2173	450	1204	12.34	2.50	53.70
1989-90	4917	25926	34129	64972	21293	30902	23172	2056	5674	1600	3612	8.29	3.00	62.73
1990-91	7375	26070	58398	91843	33942	35202	27354	2403	5445	1000	3945	6.03	2.50	45.35
1991-92	7375	29831	62262	99468	51179	41204	29580	2650	8974	3000	3974	8.10	3.00	50.45
1992-93	9262	41931	95966	147159	98308	48743	34754	2623	11366	3871	6495	8.91*	3.50	54.84
1993-94	11268	71225	125245	207738	171930	64698	40424	2266	22008	500	16508	20.21*	6.00	73.03
1994-95	11288	92630	152664	256582	183030	92443	59171	4601	28671	6	23165	25.38	6.50	92.00
1995-96	18069	113349	154892	286310	187603	155565	103420	10489	41656	2200	22231	21.83	6.50	72.72
1996-97	18070	125449	161606	305125	193962	162813	122372	11409	29032	3800	20487	13.96	6.50	79.42
1997-98	18070	141396	152755	312221	201843	166151	121432	11513	33205	4350	28863	15.97	6.50	88.28
1998-99	18070	149537	157023	324630	203479	150030	117432	11615	20983	2816	18167	10.06	5.00	92.79
1999-00	18070	151240	137023	306313	202244	165882	139190	12347	14345	2616	11729	6.50	5.00	93.73
2000-01	18070	176474	114627	309171	188436	173411	141518	13284	18609	2114	16495	9.13	5.00	105.36
2001-02	18070	137066	106071	307638	181467	151605	118278	13321	20006	7324	12682	7.02	5.00	84.35
2002-03	18070	145516	81626	289288	168441	170483	130588	13693	26202	6544	19658	10.88	5.50	89.81
2003-04	21516(a)	182018	76554	324291	174145	272984	225961	14415	32608	10555	22053	10.25	5.50	94.48
2004-05	21516	178268	132422	367544	156239	322515	263451	13770	45294	11239	34055	15.83	6.50	92.80
2005-06	21516	195254	145449	394514	155097	373461	308481	13893	51087	15784	35303	16.41	7.00	100.45
2006-07	21516	217768	104177	372583	151474	426923	348504	15035	63384	18963	44421	20.65	8.00	111.07
2007-08	23406	333762	234384	619375	151258	484819	354233	14876	115710	20792	94918	42.82	9.00	152.64
2008-09	23523	362407	367610	763842	184375	872402	790072	16303	66027	20822	45205	19.25	9.00	164.11
2009-10	24332	403964	294651	741969	183009	576975	499443	18719	58813	15335	43478	18.38	9.00	176.07
2010-11	25482	448586	297594	771822	192763	656776	580460	20446	55870	15021	40849	16.32	10.00	186.09
2011-12	25482	468069	336709	839127	208104	846375	747472	22468	76435	17775	58660	23.03	10.00	193.73
2012-13	25482	505250	371640	914847	205984	897412	793447	21429	82536	18205	64331	25.25	10.00	208.33
2013-14	25482	544641	303469	895153	203713	911890	839120	15882	56888	13281	43607	17.12	10.00	223.79
2014-15	25482	578845	271588	895038	197529	1053087	948407	19271	85409	21612	63797	25.04	12.50	237.22
2015-16^	25482	783143	352372	848385**	205270	1093794	985888	19879	88027	21407	66620	26.15	10.00	317.41
2016-17^	25482	860063	241132	819678**	213340	863080	747132	16988	98960	29689	69271	27.19	11.00	347.60
2017-18^	25482	1106932	140721	965720**	169824	908530	639087	13913	255530	78834	176696	69.36	22.00	444.51

Note : (a) Includes the balance lying in share capital suspense account amounting to ₹ 3446 lakh.

* annualised.

@ From year ended 31 March, 2011 onwards borrowing include non-current (long-term) borrowing + current (short-term) borrowing + current maturity of non-current (long-term) borrowing and finance lease

\# From year ended 31 March, 2011 onwards net block includes capital work-in-progress + capital advances

^ From year ended 31 March, 2016 onwards, the Company has followed IND AS.

** Capital Employed: Total assets minus current liabilities plus current (short-term) borrowing plus current maturities of non-current (long-term) borrowing and finance lease obligations minus investment in subsidiary companies (other than Rallis India Limited).

FINANCIAL STATISTICS - Standalone

EQUITY SHARES ISSUED ON CONVERSION OF BONDS/DEBENTURES				RIGHTS ISSUE			BONUS SSUE		
	₹ lakh	Premium				₹ lakh			₹ lakh
1982-83	116	₹	8/- per share	1954-55	1 for 2 at par	48	1966-67	1 for 10	30
1983-84	300	₹	10/- per share	1957-58	4 for 5 at Par	112	1968-69	3 for 10	100
1984-85/1985-89	600	₹	30/- per share	1961-62	1 for 5 at Prem Re. 0.5 per share	50	1970-71	1 for 5	87
1987-88	725	₹	40/- per share	1972-73	1 for 5 at Prem Re. 0.5 per share	104	1974-75	1 for 2	311
1987-88	725	₹	60/- per share				1974-75	2 for 5	777
1992-93	1,960	₹	40/- per share				1990-91	1 for 2	2,458
1993-94	1,960	₹	40/- per share				1995-96	3 for 5	6,777
2007-08	1,889	₹	220.78/- per share						
2008-09	117	₹	220.78/- per share						
2009-10	809	₹	220.78/- per share						
	9,201					**314**			**10,540**

FINANCIAL STATISTICS - Consolidated

Year	CAPITAL ACCOUNTS							REVENUE ACCOUNTS									
	Share Capital	Reserves	Minority Interest	Borrowings *	Capital Employed	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	Earnings per Ordinary Share (Basic)	Net Worth per Ordinary Share
	₹ 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	430024	277941	70749	425315	346846	18404	60065	17231	-	-	42834	19.91	103.11
2006-07	21516	235666	-	186420	469081	305605	76324	606283	504082	27388	74813	24009	-	-	50804	23.62	119.52
2007-08	23406	348439	4234	480669	885172	337121	464924	677783	528813	31383	117587	21147	-	-	96440	43.51	158.96
2008-09	23523	453455	15219	628381	1122734	376696	562128	1300712	1166716	42264	91732	15751	11171	-	64810	27.59	202.81
2009-10	24332	447310	35006	499372	1007837	383096	532470	983144	845176	44678	93290	20932	13114	1347	60591	25.61	193.89
2010-11	25482	519687	40645	569972	1161268	449047	563242	1136412	979211	45105	112096	27492	19257	-	65347	26.10	214.00
2011-12	25482	608145	44809	706073	1381258	495141	635874	1425027	1232095	50868	138343	34392	19946	(246)	83759	32.88	248.72
2012-13	25482	615874	53614	838400	1532813	468350	662702	1545211	1400520	53388	91303	30252	20703	(308)	40040	15.72	251.75
2013-14	25482	531069	65522	839306	1480479	476215	672261	1636983	1641748	47124	(51889)	28878	22100	(333)	(103200)	(40.51)	218.46
2014-15	25482	529689	67349	837884	1481024	460432	695699	1768873	1606708	46314	115851	35112	20553	(540)	59646	23.41	217.92
2015-16@	25482	659950	259846	909042	2164099**	1202595	176193	1764956	1579960	57137	127859	28732	23558	1489	77058	30.25	269.05
2016-17@	25482	765342	262389	744256	2109338**	1183144	169841	1546394	1327495	55244	163655	41807	24099	1562	99311	38.98	310.42
2017-18@	25482	1084689	271716	641825	2320108**	1157090	173185	1593580	1218260	53059	322261	56935	26941	4923	243308	95.51	435.78

*From year ended 31 March, 2011 onwards borrowing include non-current (long-term) borrowing + current (short-term) borrowing + current maturity of non-current (long-term) borrowing and finance lease

From year ended 31 March, 2011 onwards net block includes capital work-in-progress + intangibles assets held under development + capital advances

@ From year ended 31 March, 2016 onwards, the Company has followed IND AS

** Capital Employed: Total Assets minus current liabilities plus current (short-term) borrowing plus current Maturities of non-current (long-term) borrowing and finance lease obligations

TATA

TATA CHEMICALS LIMITED

Corporate Identity Number (CIN) - L24239MH1939PLC002893
Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001
Tel. No: +91 22 6665 8282 **Fax No:** +91 22 6665 8144
Email address: investors@tatachemicals.com **Website:** www.tatachemicals.com

ATTENDANCE SLIP

79th ANNUAL GENERAL MEETING ON WEDNESDAY, 25 JULY, 2018 AT 3.00 P.M.

at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020.

Folio No.:	DP ID No.:	Client ID No.:

I/We hereby record my/our presence at the SEVENTY NINTH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020 on Wednesday, 25 July, 2018 at 3.00 p.m.

Name of the Member: ______________________	Signature: ______________
Name of the Proxyholder: ______________________	Signature: ______________

Notes:

1. Only Member/Proxyholder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxyholder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.

TATA

TATA CHEMICALS LIMITED

Corporate Identity Number (CIN) - L24239MH1939PLC002893
Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001
Tel. No: +91 22 6665 8282 **Fax No:** +91 22 6665 8144
Email address: investors@tatachemicals.com **Website:** www.tatachemicals.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) : ______________________

Registered address : ______________________ E-mail Id : ______________

Folio No. / Client ID No. : ______________ DP ID No.: ______________

I/We, being the member(s) of ______________ Shares of Tata Chemicals Limited, hereby appoint:

1. Name: ______________ Email Id: ______________
   Address: ______________
   ______________ Signature: ______________ Or failing him/her;
2. Name: ______________ Email Id: ______________
   Address: ______________
   ______________ Signature: ______________ Or failing him/her;
3. Name: ______________ Email Id: ______________
   Address: ______________
   ______________ Signature: ______________

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SEVENTY NINTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 25 July, 2018 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

*I wish my Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March, 2018, together with the Reports of the Board of Directors and Auditors thereon.		
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2018, together with the Report of the Auditors thereon.		
3.	To declare dividend on the Ordinary Shares for the financial year ended 31 March, 2018.		
4.	To appoint a Director in place of Mr. Bhaskar Bhat (DIN: 00148778), who retires by rotation, and being eligible, offers himself for re-appointment.		
Special Business			
5.	Appointment of Ms. Padmini Khare Kaicker as a Director and as an Independent Director of the Company		
6.	Appointment of Mr. Zarir Langrana as a Director of the Company		
7.	Appointment of Mr. Zarir Langrana as Executive Director of the Company		
8.	Revision in the terms of remuneration of Mr. R. Mukundan, Managing Director		
9.	Re-appointment of Mr. R. Mukundan as Managing Director & CEO of the Company		
10.	Payment of commission to Non-Executive Directors		
11.	Ratification of Remuneration of Cost Auditors		

Signed this ____________ day of ________________________________ 2018

Affix
Revenue
Stamp

Signature of the Member: ____ Signature of Proxyholder(s): ____________________________

Note: 1. **This Form in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001, not less than 48 hours before the commencement of the Meeting.**

2. A proxy need not be a member of the Company.

*3. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the SEVENTY NINTH ANNUAL GENERAL MEETING of the Company.

NOTES

NOTES

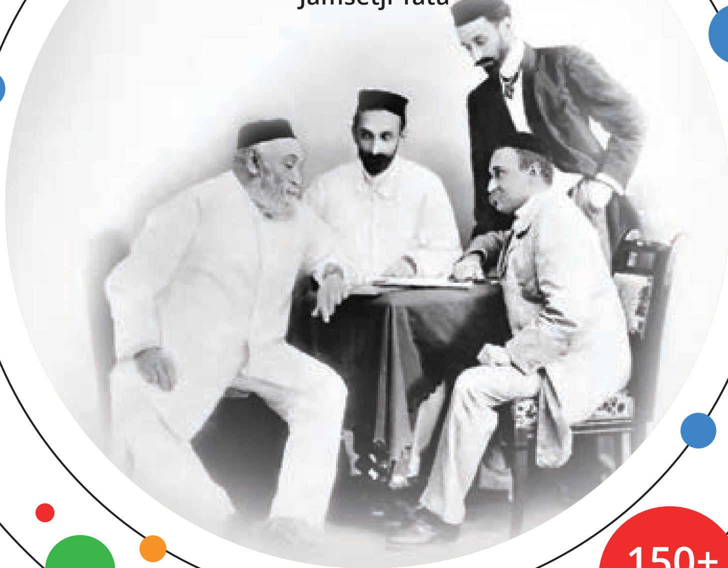
LEADERSHIP WITH TRUST SINCE 1868

TATA 150

₹656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata



695,699 EMPLOYEES

₹27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices, to pioneering national institutions, the Tata Group remains committed to improving the lives of communities we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R.D. Tata, father of J.R.D Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

TATA CHEMICALS

Registered Address
Bombay House, 24,
Homi Mody Street, Fort,
Mumbai - 400001 India.
CIN: L24239MH1939PLC002893
Telephone: +91 22 6665 8282
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