



TATA CHEMICALS

69th annual report - 2007-08



Mithapur - India



Babrula - India



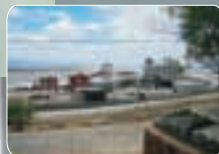
Haldia - India



Winnington Site - UK



Delfzijl - The Netherlands



Magadi - Kenya



Wyoming - USA



From the sun and the sea, a dream is born...

In the early 1920s, Kapil Ram Vakil, a chemical engineer educated in England, saw the possibility of developing salt works in the Okhamandal region, now in the state of Gujarat. He approached the then Maharaja of Baroda, Sayajirao Gaekwad. Always keen to develop his princely state, the Maharaja gave his assent. In 1927, Kapil Ram Vakil set up the Okhamandal salt Works and V T Krishnamachari, the Diwan of Baroda, laid the foundation stone.

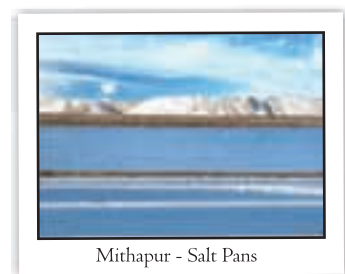
A decade later, Kapil Ram Vakil wanted to expand and set up a soda ash plant, but did not have the financial resources. He approached Sayaji Rao Gaekwad who wrote to the Tata's if they would be interested in assisting in a project of national importance. Tata Chemicals was born in 1939 and Kapil Ram Vakil stayed on as its director.

In those days the soda ash formula was a closely guarded secret between six companies in the world. It was, therefore, no easy task setting up such a project. The British chemicals giant Imperial Chemical Industries (ICI),

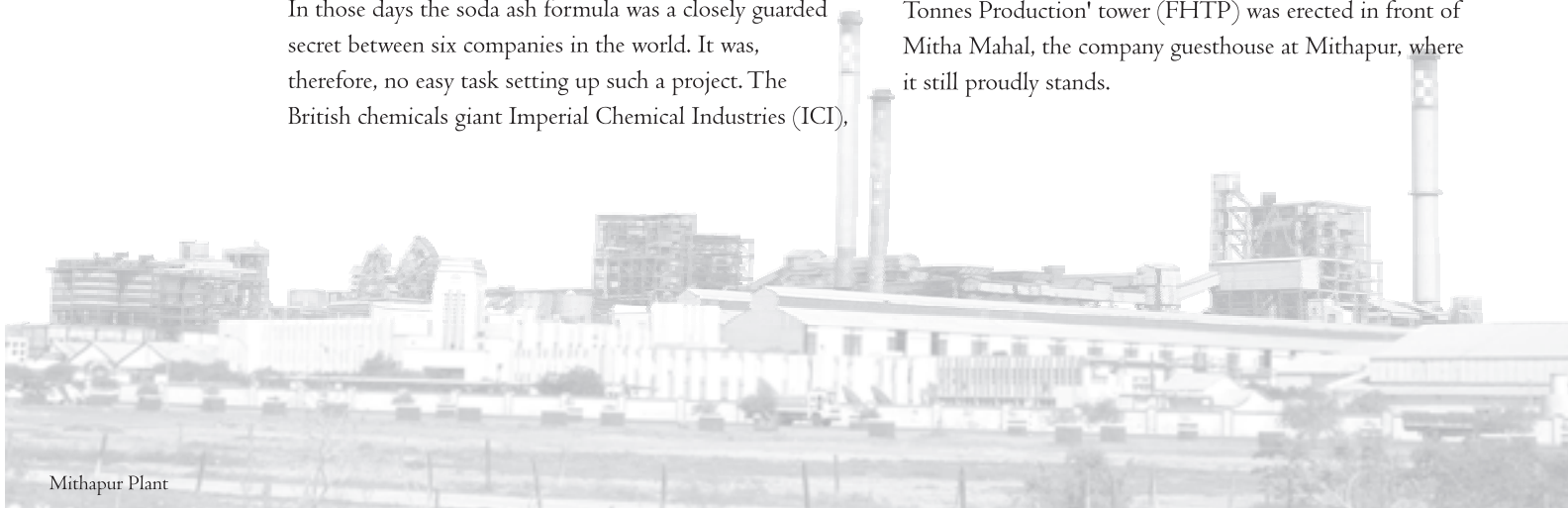
located in the Sindh province of what is now Pakistan, was the only company in the subcontinent with the necessary expertise and technology.

Darbari Seth, a young chemical engineer who had joined Tata Chemicals told the Board that they did not need foreign help. The management bought into the argument and Tata Chemicals cracked the code.

Finally, in 1944, the 80 tonnes per day plant started production. In 1964, a capacity of 400 tonnes was achieved. To commemorate this feat the 'Four Hundred Tonnes Production' tower (FHTP) was erected in front of Mitha Mahal, the company guesthouse at Mithapur, where it still proudly stands.



Mithapur - Salt Pans



Mithapur Plant

THE HUMAN TOUCH OF CHEMISTRY

Established in 1939 at Mithapur, Tata Chemicals Limited (TCL) today is the second largest producer of Soda Ash in the world with manufacturing facilities across four continents. TCL is the pioneer and market leader in the branded, iodised salt segment. TCL is also India's leading manufacturer of urea and phosphatic fertilisers. Its urea



Babrala Plant

plant at Babrala is the country's most energy efficient fertiliser unit.

Phosphatic fertilisers are manufactured at its plant in Haldia.

The Babrala fertiliser plant in

Uttar Pradesh has won the Sword of Honour Award of the British Safety Council, four times in a row and also the International award in business sustainability. These accolades are recognized the world over as the pinnacle of achievement in safety management systems and awarded to businesses that demonstrate sustainable performance through a clear and measurable commitment to environmental management.

The acquisition of an equal partnership in Indo Maroc Phosphore S.A. (IMACID) along with Chambal Fertilisers and the global phosphate major, OCP of Morocco



in the year 2005 was the first step that TCL took towards internationalization. In early 2006, Tata Chemicals completed the acquisition

of the UK-based Brunner Mond Group which also owned Magadi Soda Company in Kenya. In 2007, TCL

entered in to a 50:50 joint venture with Total Produce, Ireland, the third largest fruits and vegetable distribution company in the world and Europe's largest and most accomplished fresh produce provider, to set up a fruits and vegetables distribution business in India. TCL also plans to leverage its expertise in Chemistry & Agriculture, together with its in-house research capabilities in biology and crop genomics to develop a significant presence in Bio fuels space.

The TCL Innovation Centre was created in mid 2004 to develop world-class R&D capability in the emerging areas of nanotechnology and biotechnology.



Brunner Mond Plant - UK



In early 2008 TCL successfully completed the acquisition of General Chemical Industrial Products, (GCIP). General Chemical's subsidiary, General Chemical (Soda Ash) Partners (GCSAP), is one of the largest Soda Ash producers in the USA. The Company's mining and manufacturing facilities located at Green River

Basin in Wyoming, USA, are assets of a very high quality, providing access to

some of the world's largest and most economically recoverable trona ore deposits that are then converted to Soda Ash. The acquisition of GCIP takes TCL's global Soda Ash capacity to around 5.5 Million Tonnes per annum.

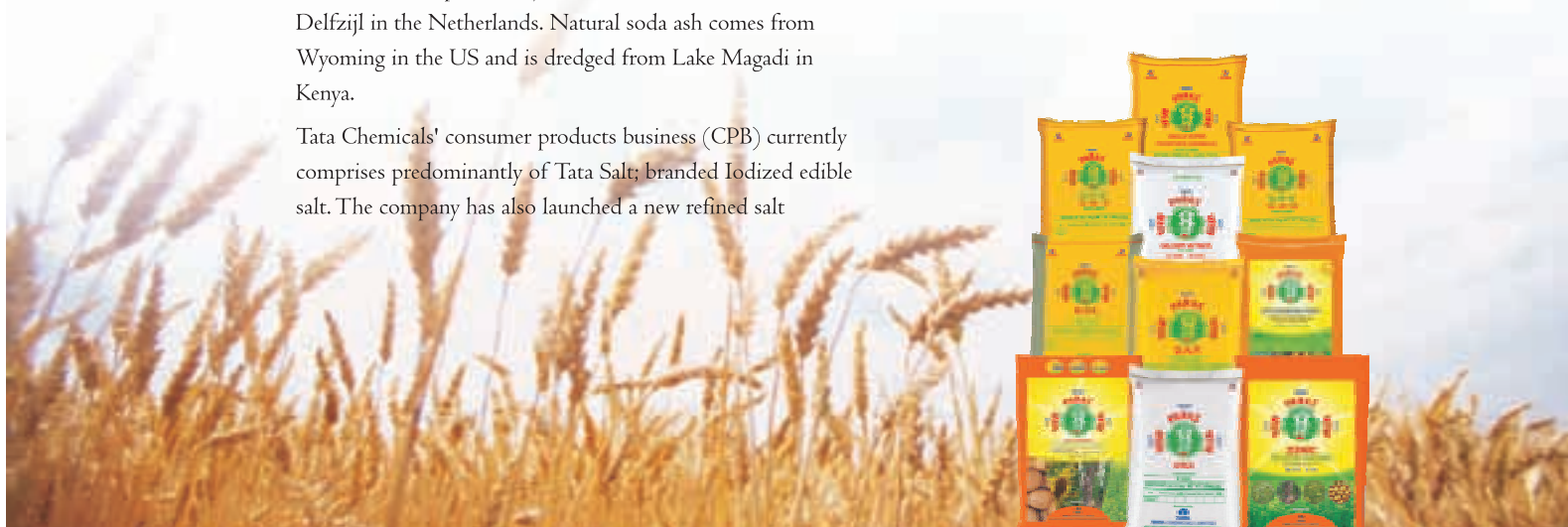
Apart from being the world's second largest producer of soda ash, the company makes sodium bicarbonate and STPP. Its salt works, spread across 60 square kilometres, generate the basic raw material for most of the chemicals the company manufactures. Soda ash is produced synthetically at three locations; Mithapur in Gujarat, Cheshire in the UK and Delfzijl in the Netherlands. Natural soda ash comes from Wyoming in the US and is dredged from Lake Magadi in Kenya.

Tata Chemicals' consumer products business (CPB) currently comprises predominantly of Tata Salt; branded Iodized edible salt. The company has also launched a new refined salt



I-Shakti. With 15% lower sodium than ordinary salts, Tata Salt Lite is a new offering for the niche market of low sodium salt users. Topp Salt is a brand of edible salt created for export. Tata Samunder cooking soda completes the CPB offerings.

Tata Chemicals has its presence across all the three key agro-nutrients; viz. Nitrogen (N), Phosphorus (P) and Potassium (K). The portfolio comprises of nitrogenous fertilizers, Urea manufactured at Babrala, Phosphatic fertilizers DAP and complexes manufactured at Haldia and MOP is imported. Bulk chemicals like Sulphuric acid, Phosphoric acid, and Sodium Tripoly Phosphate (STPP) are manufactured at its plant in Haldia, West Bengal.





The company also helps small farmers enhance the yield from their land by providing end-to-end solutions through its network of Tata Kisan Sansar's (Tata Farmer's Centres) in the northern Indian states of Uttar Pradesh, Punjab, Haryana and Uttaranchal. During 2007-08 TCL strengthened its network in West Bengal and Jharkhand and established a foot print in Bihar. The centres are one-stop resource centres; they stock seeds, pesticides and fertilisers;



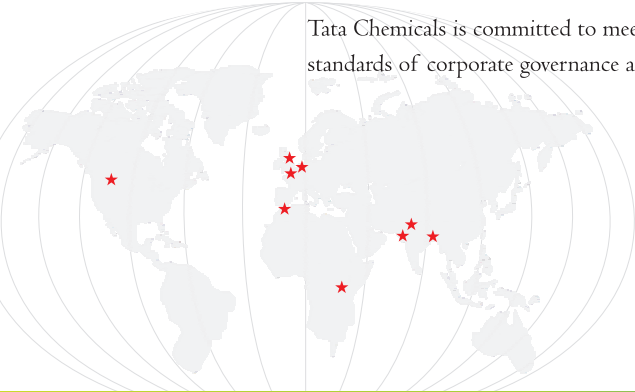
Tata Kisan Sansar outlet



lease out farm equipment and implements to farmers who cannot afford to buy expensive modern machinery; provide agronomy services like soil testing and mapping and fertiliser

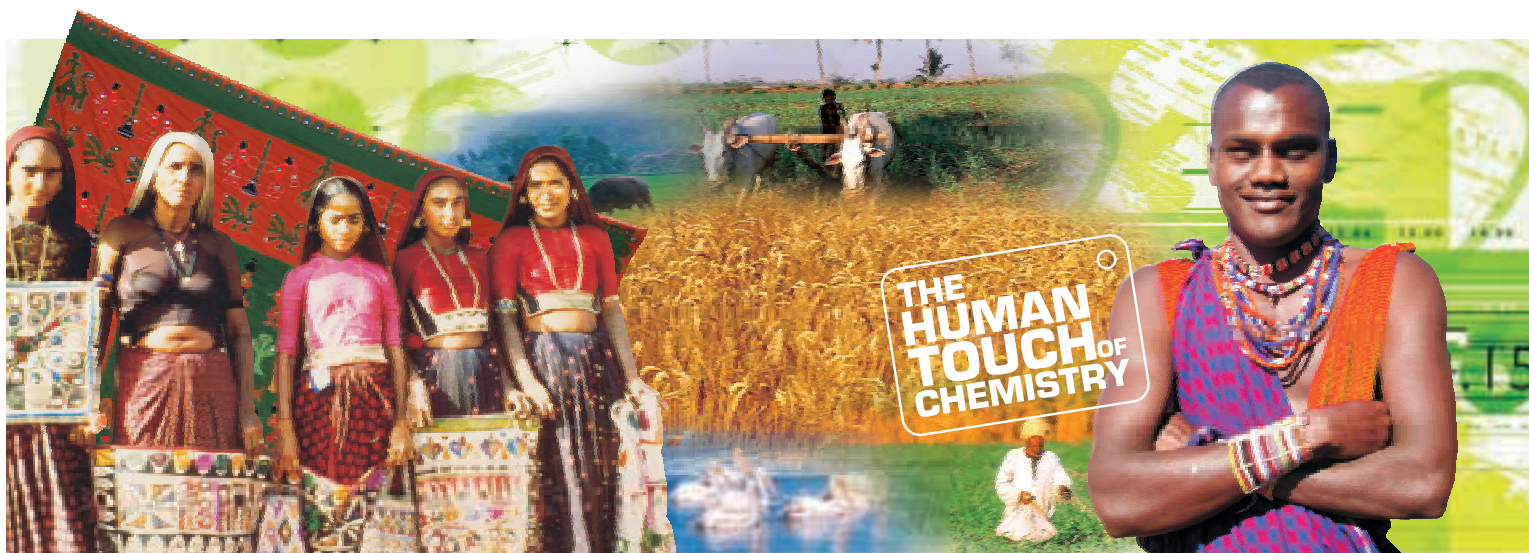
testing; and extend credit finance, arrange crop insurance and even provide buyback facilities.

of the Tata group with its blazing reputation for integrity, fair play and sound business practices, the company believes that corporate governance is not only about complying with a set of norms and regulations, but is also an article of faith. The principles of corporate sustainability are integrated in all its activities.



Tata Chemicals is committed to meeting the highest standards of corporate governance and disclosures. Being part





It's what you give back that defines commitment

Corporate Sustainability is integrated in all the activities that TCL undertakes. The company actively seeks-out opportunities to engage with all the major external stakeholders like communities around its factories, government agencies, corporate bodies and NGOs. Many years ago, in 1980, TCL formed an NGO 'Tata Chemicals Society for Rural Development' (TCSRDR) whose functions are closely monitored and supported by the company. The aim of the society is to undertake holistic community development. TCSRDR follows a structured process through which it engages with the communities around its plant sites to understand their needs. TCSRDR thereafter in consultation with these communities encourages them to develop programmes that will improve self-reliance, health and hygiene. These programmes are thereafter executed with the support of TCSRDR. Examples are:

→ Helping communities to manage their water and other natural resources effectively

- Forming self-help groups to improve their economic conditions
- Helping land reclamation
- Encouraging rural enterprise development, like handicrafts where women contribute more and gain economic independence
- Providing vocational training
- Promoting quality health and education

TCSRDR and TCL also encourage community action through volunteering by company employees. The movement is gaining strength and more and more employees are coming forward to volunteer and independently take on the responsibility for implementing several TCSRDR programmes. TCL's efforts in community development have been recognised at the national level.



Township - Mithapur

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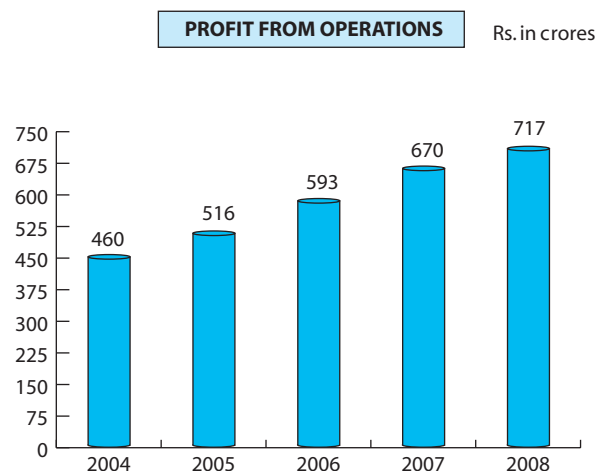
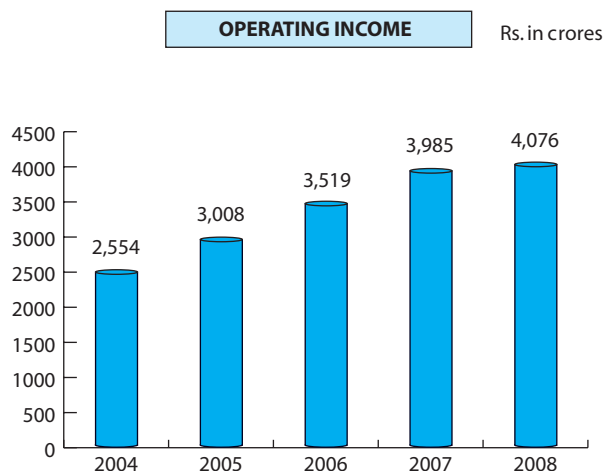
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Annual General Meeting	: August 04, 2008
Time	: 3.00 p.m.
Venue	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020

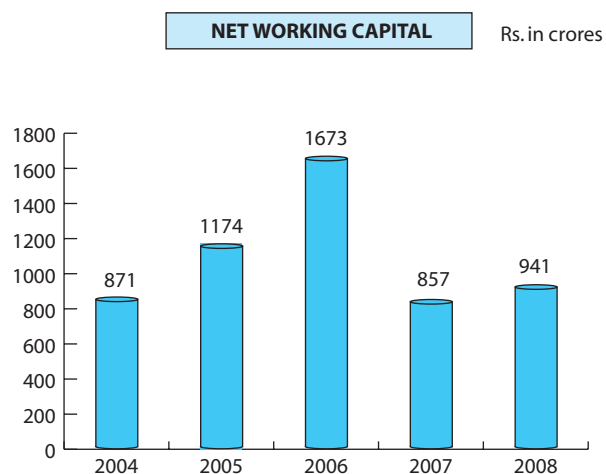
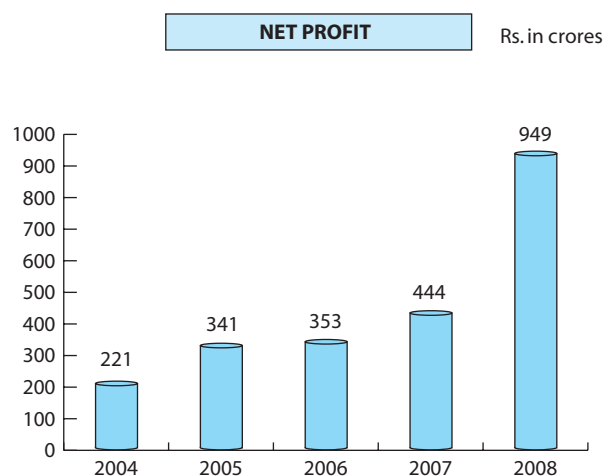
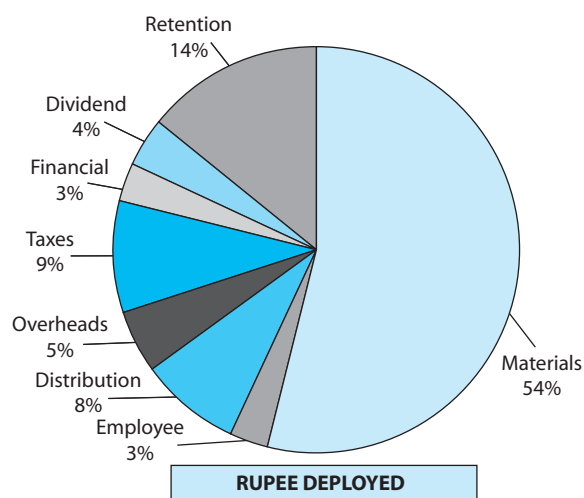
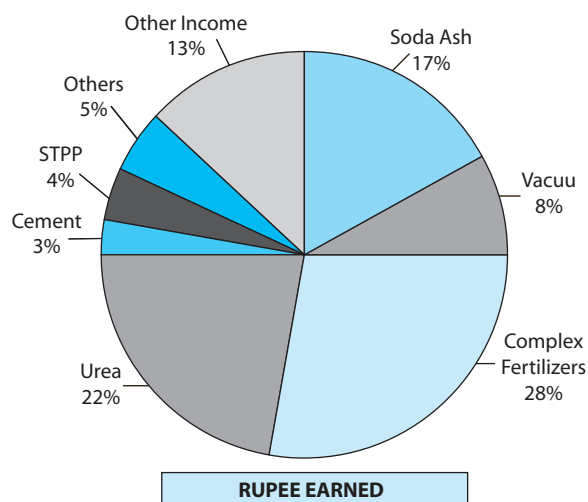
BOOK CLOSURE DATES
JULY 22, 2008 — AUGUST 04, 2008

Financial Highlights

- Record Income at Rs. 4,677 crores, Consolidated Revenues at Rs.6,667 crores
- Record Profit (PAT) at Rs. 949 crores, Consolidated PAT at Rs. 964 crores
- Record Dividend of Rs.9 per share



Distribution of earnings FY 2008





CORPORATE INFORMATION

Board of Directors

Ratan N. Tata
(Chairman)

R. Gopalakrishnan
(Vice-Chairman)

Nusli N. Wadia

Prasad R. Menon

Dr. T. Mukherjee

Homi R. Khusrokhhan
Managing Director

Nasser Munjee

Dr. Yoginder K. Alagh

Dr. M. S. Ananth
(w.e.f. April 03, 2008)

Registered Office

Bombay House,
24, Homi Mody Street,
Fort, Mumbai 400 001
Tel: 022-66658282
Fax: 022-66658143

Visit us at: www.tatachemicals.com

Members of the Executive Committee

Homi R. Khusrokhhan	Managing Director
P. K. Ghose	Executive Vice President & CFO
Kapil Mehan	Executive Vice President - Crop Nutrition & Agri Business
R. Mukundan	Executive Vice President - Chemicals
B. Sudhakar	Head-Corporate HR & Administration
Dr. Murali Sastry	Chief Scientist
A. J. Gupta	Senior Vice President - New Business & Projects

Company Secretary

Rajiv Chandan

Registrar & Share Transfer Agent

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

Solicitors

Mulla & Mulla and Craigie Blunt & Caroe, Mumbai.
AZB & Partners, Mumbai

Auditors

Messers S. B. Billimoria & Co.,
Chartered Accountants
Messers N. M. Rajji & Co.,
Chartered Accountants

Works

Inorganic Chemicals — Mithapur, Gujarat
Fertilisers — Babrala, Dist. Badaun, U.P.
Phosphate — Haldia, W. Bengal

Bankers

Bank of America, Bank of Baroda, Citibank N.A., Deutsche Bank, HDFC Bank Limited, Standard Chartered Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Ltd., ICICI Bank Ltd.

Company Identification No.

CIN L 24239MH1939 PLC 00 2893

Tata Chemicals Limited**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE SIXTY-NINTH ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Monday, August 04, 2008 at 3.00 p.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business: -

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet as at that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. Ratan N. Tata, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and is eligible for re-appointment.
5. To appoint auditors and fix their remuneration.

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

"RESOLVED THAT subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Chartered Accountants (in place of the retiring auditors Messrs S.B. Billimoria & Co.) and Messrs N.M. Rajji & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company to examine and audit the accounts of the Company for the financial year 2008-09, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, plus service tax, out-of-pocket and travelling expenses, etc."

6. **APPOINTMENT OF DR. M. S. ANANTH AS A DIRECTOR**

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

"RESOLVED that Dr. M. S. Ananth, who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 03, 2008 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

7. **COMMISSION TO NON WHOLE-TIME DIRECTORS**

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

"RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment and distribution of a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, by way of commission to and amongst the Directors of the Company who are neither in the whole-time employment of the Company nor managing / executive director/s in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors from time to time and such payments shall be made for a period of five years commencing April 1, 2008.

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

8. **BORROWING POWERS**

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

"RESOLVED THAT pursuant to Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, any sum or sums of money, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its fee reserves, that is to say

reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs. 5,500 crores (Rupees five thousand five hundred crores).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

9. CREATION OF CHARGES

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

"RESOLVED that pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company ("the Board") to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks / Financial Institutions, Insurance Companies, other lending / investing agencies or bodies (hereinafter collectively referred to as "Lenders"), their Agents and Trustees provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, shall not, at any time exceed the limit of Rs. 5,500 crores (Rupees five thousand five hundred crores).

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

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 5 to 9 set out above are annexed hereto. The relevant details in respect of item Nos. 3, 4 & 6 above, as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.

Book Closure and Dividend

4. **The Register of Members and the Share Transfer Books of the Company will be closed from July 22, 2008 to August 04, 2008, both days inclusive.**
5. The dividend, if declared at the Annual General Meeting, will be paid on or after August 05, 2008 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on July 21, 2008 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as Members in the Register of Members of the Company on July 21, 2008 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before the aforesaid date.
6. **Nomination Facility:**

Members holding shares in physical form and have not availed of the nomination facility, are requested to make use of the Nomination Forms mailed along with this Annual Report.

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

Tata Chemicals Limited**7. Electronic Clearing Services (ECS) facility:**

To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the Company provides ECS facility to the members. ECS facility is available at locations identified by the Reserve Bank of India. For the convenience of the members, ECS forms are mailed along with this Annual Report.

Members holding shares in the electronic form are requested to contact their respective depositories Participants, in this connection.

8. Unclaimed Dividends:**Transfer to General Revenue Account**

Pursuant to Section 205A(5) of the Companies Act, 1956, all unclaimed dividend upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government. Members, who have not yet encashed their dividend warrant(s) for the said period, are requested to forward their claim in Form No. II prescribed under Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rule, 1978 to:

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

Transfer to the Investor Education and Protection Fund

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 (The Act), the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

Accordingly, the dividend which had remained unpaid/unclaimed from the financial year ended March 31, 1996 to March 31, 2000 have been transferred to the fund in respect of the Company and that of erstwhile Hind Lever Chemicals Limited (since merged with the Company effective June 01, 2004), for the financial year ended December 31, 1999 have been transferred to the Fund.

It may be noted that the unpaid/unclaimed dividend for the financial year ended March 31, 2001 is due for transfer to the Fund on, August 31, 2008 and that of erstwhile Hind Lever Chemicals Limited, for the financial year ended December 31, 2000, is due for transfer to the fund on July 20, 2008. Any person/member who has not claimed dividend in respect of the financial year ended March 31, 2001 or any year thereafter, is requested to approach the Company / The Registrars and Share Transfer Agents of the Company for claiming the same.

Bank Mandates

9. In order to provide protection against fraudulent encashment of the warrants, members holding shares in physical form are requested to intimate the Company/Registrar & Share Transfer Agents under the signature of the Sole/First holder, the following information to be incorporated on the Dividend Warrants:

- I. Name of the Sole/First joint holder and the folio Number
- II. Particulars of bank Account viz.,
 - a) Name of the Bank
 - b) Name of the Branch
 - c) Complete address of the Bank with Pin code Number
 - d) Bank Account Number

In respect of other matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agents, in case of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrars and Share Transfer Agents, members

are requested to quote their account/folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

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

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head- Legal

Mumbai
 June 24, 2008

Registered Office:

Bombay House
 24, Homi Mody Street, Fort,
 Mumbai 400 001

EXPLANATORY STATEMENT:

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 to 9 of the accompanying Notice dated June 24, 2008

Item No. 5:

Presently the Company's accounts are being audited by Messrs S.B. Billimoria & Co., (SBB) and Messrs N.M.Raiji & Co.,(NMR) Chartered Accountants. SBB is an associate of Messrs Deloitte Haskins & Sells (DHS). SBB have informed the Company that they do not wish to seek re-appointment as statutory auditors of the Company for the financial year 2008-09.

In view of the above, and based on the recommendations of the Audit Committee, the Board of Directors, at their meeting held on June 24, 2008 proposed the appointment of DHS as the statutory auditors in place of SBB along with NMR for the financial year 2008-09.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Act, signifying its intention to propose the appointment of DHS as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

DHS and NMR (retiring auditors) have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

The Members' approval is being sought for the appointment of DHS and NMR as the Statutory Auditors of the Company and to authorise the Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Directors recommend the Resolution contained in Item No. 5 for approval by the Members.

None of the Directors is concerned or interested in the Resolution at Item No. 5 of the Notice.

Item No. 6:

Dr. M. S. Ananth was appointed as an Additional Director by the Board of Directors of the Company, with effect from April 03, 2008. In accordance with the provisions of Section 260 of the Companies Act, 1956, Dr. M. S. Ananth will hold office as a Director upto the date of the ensuing Annual General Meeting.

Dr. M. S. Ananth holds a doctorate in Chemical Engineering, in the area of Molecular Thermodynamics, from the University of Florida, U.S.A. He joined IIT Madras as a faculty in the department of Chemical Engineering in 1972 and in December 2001 he took over as the Director of the Institute. His research interests are in Molecular Thermodynamics and Mathematical Modelling. He has several publications in international journals and is a referee for many journals in Chemical Engineering. He has been awarded the Herdillia prize for excellence in basic research in Chemical Engineering by the IChE and the R.W.Fahien Alumni Award for "Distinguished Professional Contributions" for the year 2003 by the Chemical Engineering Department of University of Florida, USA. He is a Fellow of Indian Institute of Chemical Engineers and the Indian National Academy of Engineering. He is a Member of the National

Tata Chemicals Limited

Manufacturing Competitiveness Council (NMCC) and a Member of the Scientific Advisory Committee to the Cabinet (SAC-C). He is a consultant for many chemical industries in South India.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Dr. M. S. Ananth and therefore recommend for approval, the Resolution contained in Item No. 6 of the Notice convening the Annual General Meeting.

None of the Directors except Dr. M. S. Ananth is concerned or interested in Item No. 6 of the Notice.

Item No. 7:

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

At the Annual General Meeting of the Company held on December 15, 2003, the members had approved under the provisions of Section 309 of the Companies Act, 1956, the payment of commission to Non-whole-time Directors of the Company, not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956 for period of 5 years from from 1st April 2003 to 31st March 2008. It is now proposed to obtain the shareholder's approval for payment of commission to Non whole-time Directors for a further period of 5 years commencing April 1, 2008, in the manner set out in the Resolution. This amount will be distributed amongst the Directors in accordance and as may be decided by the Board.

All the Directors of the Company except Mr. Homi R. Khurshid, the Managing Director are concerned or interested in the Resolution at Item No. 7 of the Notice to the extent of the amount that may be received by them.

Item Nos. 8 and 9:

Section 293(1)(d) of the Act provides that the Board of Directors cannot, except with the consent of the Company in a general meeting, borrow moneys together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose.

At the Extra Ordinary General Meeting of the Company held on January 18, 2005, the members had authorized the Board of Directors to borrow moneys for an amount not exceeding Rs. 3,500 crores. In order to enable the Board of Directors, as and when required, to meet the requirement of funds for future expansion/growth plans/any other corporate purpose, it is proposed to seek the approval of the members for increasing the borrowing limit upto Rs. 5,500 crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) as mentioned in item No. 8 of the accompanying Notice.

The proposed borrowings of the Company if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders, the agents and / or trustees and it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/ mortgages/ hypothecations for an amount not exceeding the borrowing limit of Rs. 5,500 crores.

The Resolutions proposed under item Nos. 8 and 9 are in the interest of the Company and the Board commends the Resolutions for acceptance by the Members.

None of the Directors is in any way interested or concerned in the Resolutions contained in item Nos. 8 and 9 of the accompanying Notice.

By Order of the Board of Directors

Rajiv Chandan
Company Secretary & Head - Legal

Mumbai
June 24, 2008

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

Details of Directors appointment/reappointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. R. N. Tata	Mr. Nusli N. Wadia	Dr. M. S. Ananth
Date of Birth	28.12.1937	15.02.1944	15.11.1945
Date of Appointment	11.04.1983	26.06.1981	03.04.2008
Expertise in specific functional areas	Eminent industrialist with wide business experience across variety of industries.	Eminent industrialist with rich business experience.	Chemical Engineer with expertise in Molecular Thermodynamics and Mathematical Modelling. He is the Director of Indian Institute of Technology (IIT) Madras.
Qualifications	B.Sc. (Architecture) from Cornell University, U.S.A. Completed the Advanced Management Program conducted by Harvard University.	Educated in U.K	Ph.D in Chemical Engineering from the University of Florida, U.S.A.
Directorship in other Public Limited Companies	1. Tata Sons Ltd. 2. Tata Industries Ltd. 3. Tata Steel Limited 4. Tata Motors Ltd. 5. The Bombay Dyeing & Mfg. Co. Ltd. 6. The Indian Hotels Company Ltd. 7. The Tata Power Company Ltd. 8. Tata Tea Ltd. 9. Hindustan Aeronautics Ltd. 10. Tata Autocomp Systems Ltd. 11. Tata Consultancy Services Ltd. 12. Tata Teleservices Ltd. 13. Tata Teleservices (Maharashtra) Ltd.	1. The Bombay Dyeing & Mfg. Co. Ltd. 2. Gherzi Eastern Limited 3. The Bombay Burmah Trading Corp. Ltd. 4. Britannia Industries Ltd. 5. Tata Steel Ltd. 6. Tata Motors Ltd. 7. Atul Ltd. 8. Wadia BSN India Ltd.	1. Chennai Petroleum Corporation Limited 2. Neyveli Lignite Corporation Ltd. 3. Media Lab Asia Ltd.
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	Nil	Nil	Nil
No. of shares held in the Company	28,695	Nil	Nil

Tata Chemicals Limited

DIRECTORS' REPORT

TO THE MEMBERS
OF TATA CHEMICALS LIMITED

The Directors hereby present their sixty-ninth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2008:

	Rs. in crores	Previous Year Rs. in crores
FINANCIAL RESULTS		
Total Income	4676.84	4107.79
Profit before Depreciation and Exceptional items	818.39	781.77
Add: Exceptional item (profit on sale of investments)	487.47	2.42
Less : Depreciation	148.76	150.35
Profit before tax	1157.10	633.84
Tax	207.92	189.63
Profit after tax	949.18	444.21
Add :		
Balance in Profit and Loss Account	967.07	769.19
Amount available for Appropriation	1916.25	1213.40
Appropriations -		
(a) Proposed Dividend	211.25	172.08
(b) Tax on Dividend	35.90	29.25
(c) General Reserve	95.00	45.00
(d) Balance Carried forward	1574.10	967.07
	1916.25	1213.40

The Total Income for the year ended 31st March 2008 includes Rs. 487.47 crores being the profit on sale of investments liquidated for partially financing the acquisition of General Chemical Industrial Products Inc. U.S.A. (GCIP) in the fourth quarter of the financial year. The Profit before tax and Profit after tax for the year, excluding the profit on sale of investments, are Rs. 669.63 crores and Rs. 461.71 crores, respectively. The total consideration for acquisition of 100% equity of GCIP was Rs. 4,036 crores (US\$ 1,005 billion), which was funded through a mixture of debt of Rs. 3,312 crores (US \$ 825 million), internal accruals of Rs. 226 crores and the proceed of the sale of investments of Rs. 497 crores.

DIVIDEND

For the year under review, the Directors have recommended a dividend of Rs. 9.00 per share (Rs. 8.00 for the previous year), on the Equity shares of the Company, aggregating Rs. 247.15 crores. (including Dividend Tax).

PERFORMANCE REVIEW:

A Performance Review for the two main business segments that the Company operates in India, viz. Chemicals, Crop Nutrition & Agri-Business is given below:

CHEMICALS BUSINESS

During the year, the Chemicals Business of the company achieved the highest-ever sales of Rs. 1585.97 crores, reflecting a growth of 4.42 %, as compared to previous year sales of Rs. 1518.99 crores. Domestic production was affected due to heavy rains and power plant breakdowns. Costs of major inputs also rose quite considerably during the year. However, improved realisations largely compensated for both production losses and rise in input costs.

INDUSTRIAL CHEMICALS

Soda Ash

The Company has further consolidated its leadership position by becoming the 2nd largest Soda Ash player in the world. The acquisition of GCIP represents a major milestone in the history of the Soda Ash business. It has opened

up new markets in North & South America and in certain other countries of the world. There was a continuous shortage of Soda Ash throughout the year due to the rising demand in emerging economies like India and China leading to lower availability internationally.

The production of Soda Ash in India for the industry as a whole was adversely impacted during the year due to severe flooding during the monsoon. The Company's domestic production of Soda Ash for the year under review at 6,97,046 tonnes was lower by 7.95 % as compared to the previous year, primarily due to turbine failures and flooding during the monsoons at the company's production site at Mithapur. However, during the last quarter of the year production levels have been restored. The Company achieved Sales of 6,80,200 tonnes of Soda ash during the year, which was 5.78 % lower than the previous year.

Sodium Bicarbonate

During the year ended 31st March 2008, the Company achieved the highest ever Sodium Bicarbonate production of 61,491 tonnes, which was 1.49% higher than in the previous year. Sales at 62,345 tonnes were 5.17% higher than the previous year.

Sodium Tri Poly Phosphate (STPP)

The total production of STPP was at 44,411 tonnes was higher by 7.83% as compared to previous year and sales at 44,719 tonnes were also marginally lower than in the previous year.

The STPP business was severely impacted by an unprecedented increase in the cost of key inputs – sulphur and rock phosphate. A series of innovative measures were taken to combat and partly offset this phenomenon.

Cement

Although cement demand and prices remained bullish throughout the year, lower power availability and flooding during the monsoon affected cement production and as a consequence sales also were lower than in the previous year. The production and sales of cement during the year were 380,907 tonnes and 373,670 tonnes, respectively, as against 510,371 and 508,552 tonnes in the previous year.

CONSUMER PRODUCTS BUSINESS:

The Company is looking to leverage the strength of its distribution system, strong branding and the opportunities offered by a growing consumer products market in India. Consequently, the Food Additives Business has been renamed the Consumer Products Business (CPB).

The overall sales of salt during the year were 4,87,425 tonnes as against 7,34,620 tonnes in the previous year. The Company's market share in the branded salt segment is now 51% as against 49% previous year, largely on account of a second salt brand "I-Shakti", launched during the year.

The total production of salt during the year at Mithapur of 5,00,920 tonnes was lower by 29.42% as compared to previous year, largely on account of the dilution caused by monsoon flooding. Additionally, evacuation related issues also resulted in less than the planned availability of Tata Salt during the year. Tata Salt's market share stood at 44.1 % at March 08.

The Company's second salt brand, 'I-Shakti', a low cost iodised salt, which is made from externally sourced solar salt, was rolled out nationally in 2007-08 and has been a mega success. The Company has sold 84,552 tonnes of salt under this brand during the year and recorded a market share of 7.3% among the national branded segment.

The Company also successfully launched a low Sodium salt "Tata Salt Lite" during the year. Though a small segment, Tata Salt Lite has already become a market leader within six months of its launch.

CROP NUTRITION AND AGRI-BUSINESS :

The Company has a large presence in this sector, through three distinct components – the production and sale of fertilisers, the Tata Kisan Sansar network and the recently started Joint Venture in Fresh Produce.

Tata Chemicals Limited**CROP NUTRITION BUSINESS**

The company sees its role a going beyond the production and sale of fertilisers to enhancing soil health, which today has assumed great importance because of the national need to boost agricultural productivity. Accordingly, the fertiliser business has been renamed as Crop Nutrition Business. The Crop Nutrition Business of the Company comprises of sales of Urea, DAP, NPK, SSP manufactured at Company's Babrala and Haldia plants. Additionally, the Company also imports and sells MOP and DAP and supplies other crop nutrition products like Specialty Fertilizers and organic materials. The Crop Nutrition Business of the Company has achieved a turnover of Rs. 2506.31crores during the year 2007-08.

While the Company's Crop Nutrition Business has achieved record sales as well as production during the year under review, increases in input costs for the industry, generally, without corresponding revision to Government approved selling prices for fertilizers, which have not been corrected for several years now, have resulted in a sharp increase in subsidies. In order to bridge the gap of subsidy outstanding, Government has issued Fertilizer Bonds. Rs. 308 crores of subsidy dues to the Company were received in the form of Bonds. Delays in receipt of subsidy have also caused severe working capital constraints for the industry as a whole and an increased burden of interest cost. Strong representations have been made to the Government on this subject and it is hoped that some changes to policy will take place.

Specific comments on the performance of key products in Crop Nutrition portfolio are given below:

Urea

The Company achieved a record production of 10,70,308 tonnes of Urea as compared to the previous year's production of 10,11,338 tonnes. Sales of Urea at 10,43,047 tonnes (the highest in the history of the Company) were higher than in the previous year by 2.57 %.

DAP/NPK

The company achieved a combined production of 6,27,889 tonnes of DAP and NPKs against last year's production of 7,59,222 tonnes. The sales of DAP and NPKs were 6,75,365 tonnes, against last year's sale of 7,09,609 tonnes. The lower production was due to inadequate availability of raw materials, as a consequence of the very volatile market for raw materials, particularly sulphur, and sporadic shortages.

SSP

The company produced 95,308 tonnes of SSP against previous year's production of 1,59,690 tonnes. Sales of SSP at 93,867 tonnes were lower by 30,333 tonnes versus the previous year. The lower production was due to unprecedented increases in major raw material costs of SSP, which were not compensated through subsidy rates. To avoid potential losses, the operation of SSP plant has to be suspended for a major part of the year. The company has also sold 5,935 tonnes of traded SSP during the year.

Others

With the focus on introducing value-added products into the portfolio, the company expanded its offerings to include specialty fertilizers, like Calcium Nitrate and Zinc Sulphate. Sales of Rs. 25.27 crores were achieved during the year from these products.

TATA KISAN SANSAR

The Company's Tata Kisan Sansar (TKS) network, which caters to various agri input needs of farmers in Northern and Eastern regions of India, now comprises of 613 outlets as compared to 567 outlets during the previous year. At present, the TKS initiative is concentrated in Punjab, Haryana and UP and during 2007-08, the Company strengthened its network in West Bengal and Jharkhand and also established a footprint in Bihar. The network services around 20,000 villages, with access to over 2 million farmers. New pesticides, herbicides, cattle feed and seeds carrying the TKS Brand were added to the existing offerings sold through TKS outlets. Also, certain new offerings in terms of services that farmers require, such as soil management and foliar application services were added and expanded during the year.

FRESH PRODUCE

The Company has formed a 50:50 joint venture company, Khet-Se Agri Produce India Pvt. Ltd., with Total Produce Plc. Ireland, for creating procurement, sorting, packing and distribution chain for fresh fruits and vegetables. This venture involves setting up of a number of collection and processing centres and setting up of a cold chain for the reaching fresh produce to distribution centres located near main consumption centres. Khet-se formally commissioned its first collection cum distribution center at Malerkotla in Punjab on 11th May 08. A second distribution centre will become operational during 2008-09 in the Western part of India.

CENTRE FOR AGRICULTURE & TECHNOLOGY (CAT)

In order to provide appropriate advice to farmers on farming practices in general and crop nutrition practices in particular, a development centre viz. Centre for Agriculture & Technology (CAT) has been set up in Aligarh (U.P.) This Centre is resourced with experienced Scientists who are working on various areas of agri-technology. Specific projects have been undertaken on determining area and crop specific nutrition products and combinations, soil health tracking through indexing etc. The CAT is expected to provide the company a competitive edge in future in its crop nutrition and agri business segments.

NEW BUSINESSES

BIOFUELS

The company decided to enter the biofuels business last year, using sweet sorghum as feedstock. A 30 KL per day bioethanol facility is being set up at Nanded, Maharashtra at a cost of approximately Rs. 50 crores, which is expected to start production by December 2008. The technology and plant has been supplied by Praj Industries Ltd., Pune. Arrangements are being made with farmers in districts in and around Nanded, for growing sweet sorghum. Trial cultivation has so far been very successful,

The company has also undertaken field research on Jatropha, a non-edible tree crop for biodiesel production. The company has set up a research farm in Aurangabad and has started varietal trials for developing a package of practice. The company has also set up multi location trials for Jatropha in Gujarat, Maharashtra, Tamilnadu and Andhra Pradesh.

INNOVATION CENTER

The Innovation Centre (IC) is now into its third year of operations and is currently working on 19 ongoing projects that are in different stages of development. The objective is to develop products which are less capital intensive and more sustainable in the longer term. The key area of focus for the Innovation Centre is the intersect between Bio and Nano Technology. Since inception, a pool of highly qualified scientists, which includes nanotechnologists, biotechnologists, molecular biologists, experts in catalysis and bioengineering have been recruited, numbering around 30. Over the next three years, the Centre will have a stable workforce of around 150 scientists. As in most modern scientific organizations, there is a dedicated team that deals with issues related to business development, intellectual property and patents.

The Company has acquired land on the outskirts of Pune and is constructing a state-of-the-art dedicated R&D centre, which will become its central knowledge hub.

ACQUISITION OF GENERAL CHEMICAL INDUSTRIAL PRODUCTS INC. USA.

During the last quarter of the year, the Company acquired General Chemical Industrial Products, Inc. (GCIP), one of the large soda ash players in the US market, for a total consideration of US \$ 1005 million (Rs. 4036 crores). The GCIP acquisition has been one of the highlights of last year. The deal was done smoothly and swiftly and the initial funding was completed rapidly, at very competitive rates, within a few days of deal closure. With this acquisition, the Company has become the world's second largest producer of soda ash. This acquisition was funded through borrowings, sale of investments and internal accruals without the dilution of capital of the Company.

As a consequence of the acquisition of GCIP, the Company has become the world's most geographically spread soda ash company with manufacturing sites in four continents and a global soda ash capacity of 5.5 million tonnes, of which 3.2 million tonnes is natural soda ash. These cost-effective natural soda ash assets, give the company a distinctive competitive position in global markets and place the Company firmly in a leadership position. The acquisition also opens up other growth avenues for the Company.

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SUBSIDIARIES

As part of the GCIP acquisition structure, the Company has set up a 100% subsidiary in Mauritius viz. Wyoming 1 (Mauritius) Pvt. Ltd. Further downstream subsidiaries viz. Wyoming 2 (Mauritius) Pvt. Ltd., Gusuite Holding (UK) Ltd, and Valley Holdings Inc. (US) were incorporated at Mauritius, UK and US respectively.

During the year the Company has also set up a 100% subsidiary in Singapore viz. Tata Chemicals Asia Pacific Pvt. Ltd.,

JOINT VENTURES

Indo Maroc Phosphore S.A., (IMACID) is a joint-venture company established in Morocco for the purpose of securing supplies of Phosphoric Acid, in which the Company has a 33.33% shareholding, together with two other equal partners, Chambal Fertilizer Company Ltd., and Office Cherifien des Phosphates (OCP), Morocco, the world's largest producers of Phosphoric rock and other phosphatic products. IMACID, which is engaged in the manufacture of phosphoric acid, recorded a good performance in 2007 and declared a maiden dividend of 20% for the year. The Company secures phosphoric acid through supply from IMACID for manufacturer of fertilizers.

Khet-se Agriproduce India Pvt. Ltd., a 50 : 50 Joint Venture between the Company and Total Produce, plc. Ireland has been set up for the business of sourcing and distribution of fresh fruits and vegetables. It commenced operations in May, 2008. The details of the operations are dealt with, in detail, elsewhere in this report.

FINANCIAL PERFORMANCE OF SUBSIDIARIES & JOINT VENTURES

The Consolidated Financial Statements of subsidiaries and joint-ventures have been prepared in accordance with Accounting Standards 21 and 27 of The Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Accounts of the Company.

The consolidated financial results reflect the operations of:

Subsidiaries:

- Brunner Mond Group Limited (BMGL), Homefield UK Pvt. Ltd., the UK SPV, its holding company, Homefield International Pvt. Ltd. Mauritius
- Valley Holding Inc. US, the holding company for General Chemical Industrial Products Inc., Gusuite Holding (UK) Ltd., the UK SPV, Wyoming 2 (Mauritius) Pvt. Ltd, Mauritius SPV, and its holding company, Wyoming 1 (Mauritius) Pvt. Ltd.

Joint Ventures:

- IMACID, to the extent of the Company's 1/3rd share in the Joint Venture, as also, Khet-se Agriproduce India Pvt. Ltd., to the extent of the company's 50% share in that Joint Venture.

FINANCE

During the year, the Company raised long-term debt US\$ 125 million (Rs. 502 crores) through US Private Placement, US\$ 25 million (Rs. 100 crores) in its own account and US\$ 100 million (Rs. 402 crores) through its subsidiary, Homefield U.K. for which a guarantee has been provided by the Company.

For the acquisition of GCIP during the year, the Company raised a total of US\$ 475 million (Rs. 1907 crores) by way of long term External Commercial Borrowings at extremely competitive rates. Additionally, the Company, through its US subsidiary, Valley Holding Inc., raised a further US\$ 350 million (Rs. 1405 crores) by way of bridge finance at very attractive rates, backed by a guarantee from the Company. The Company also generated additional funds for financing the acquisition by selling certain investments in shares of other Group Companies.

The Foreign Currency Convertible Bonds (FCCB), issued in January 2005 amounting to US\$ 150 million (Rs. 602 crores), were converted to the extent of US \$ 99.87 million (Rs. 401 crores) during the year.

Fertilizer bonds were issued for the first time by the Government of India in lieu of cash subsidy and the Company received bonds worth Rs. 308 crores.

DIRECTORS

Dr. Vijay L. Kelkar stepped down from the Board of Directors of the Company with effect from December 31, 2007. The Board wishes to place on record its appreciation for the valuable guidance extended by him during his association with the Company.

Dr. M. S. Ananth has been appointed as an Additional Director on the Board with effect from April 03, 2008. Dr. Anant holds a doctorate in Chemical Engineering in the area of Molecular Thermodynamics from the University of Florida, U. S. A. and he is the Director of IIT Madras.

Mr. R. N. Tata and Mr. Nusli N. Wadia, Directors of the Company are due for retirement by rotation and are eligible for re-appointment.

CORPORATE GOVERNANCE

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

PERSONNEL & INDUSTRIAL RELATIONS

As on 31st Mar 08, 3324 employees were on company's rolls. The industrial relations were cordial across locations during the year.

SAFETY, HEALTH AND ENVIRONMENT

The focus on improving work place safety has been enhanced and incident frequency rates have declined versus the previous year. Health monitoring of company employees, commensurate with the work environment have continued and there have been no significant observations relating to deficiencies in workplace health and hygiene conditions.

The Babrala Plant continued to maintain its five star ratings on the British Safety Council standards and received its fourth sword of honor in a row – a first time record for any Indian Company. Babrala Plant has retained its British Safety Council's five star rating on environmental sustainability standards. Mithapur and Haldia Plants have also secured five star ratings from British Safety Council.

The Company has complied with environmental consent conditions at all its locations.

COMMUNITY DEVELOPMENT, RURAL DEVELOPMENT AND SOCIAL WELFARE

In keeping with the Company's strong commitment to rural development, community development and social welfare, the Company initiated several community welfare and development programmes during the year, including water management programmes and programmes on health education during the year. These initiatives are discussed in detail in the Management Discussions and Analysis Report.

INFORMATION TECHNOLOGY

During the year 2007-08 company upgraded its ERP system and implemented SAP ECC 6.0 and BIW 7.0. The new system has gone live now and the initial teething issues are over. The Company has also undertaken to implement an authorization control software tool (GRC) and Information security policies. These will ensure tighter controls on usage of IT systems.

AWARDS AND RECOGNITIONS

Of the various awards and recognitions the company won during the year, special mention must be made of the JRD QV Award. This Award signifies crossing a very significant milestone incorporated into the Tata Business Excellence Model (TBEM). The Award places the company among an elite group of seven companies that have so far crossed a certain score specified in TBEM.

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Some of the other awards and recognitions won during the year are mentioned below:

- CII Excellent Energy Efficient Unit – Babrala, awarded by CII 07-08
- ICC Aditya Birla Best Responsible Care Committed Company Award - ICMA 07-08
- FAI Award for Best Technical Innovation – Babrala
- FAI Award for Best Overall Performing SSP Plant – Haldia
- International Asia Pacific Quality Award for Business Excellence – Crop Nutrition Business.
- Winner of rotating shield for lowest disability injury index (Gujarat Safety Council 07-08)
- Nine National Awards for Communications at the Association of Business Communicators of India.
- IMC Ramkrishna Bajaj National Quality Award for Performance Excellence – Haldia.
- Tata Salt Awarded the Popular Consumer Award and conferred the title 'Master Brand' (Bharati Vidyapeeth's institute of Management Studies & research – 06-07).
- British Safety Council 5 Star rating – Mithapur – British Safety Council 07-08.
- Nakheel BSC Sustainability Award – Babrala.
- Dun & Bradstreet – American Express Corporate Awards 2007.
- Press Relation Council of India (PRCI) award to Tata Chemicals for Corporate Citizen of the year.
- Award for Excellence in the field of Industrial Relations (Federation of Gujarat Industries, 2007).

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

The information required under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto as Annexure 'A' and forms part of this Report.

PARTICULARS OF EMPLOYEES

The information as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, is annexed hereto as Annexure 'B' and forms part of this Directors Report.

AUDITORS

M/s. S. B. Billimoria & Co., and M/S. N. M. Raiji & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office until the ensuing Annual General Meeting and are eligible for re-appointment. M/s. S. B. Billimoria has indicated that they do not wish to seek re-appointment. It is proposed to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants along with M/s. N. M. Raiji & Co, Chartered Accountants as statutory auditors for the year 2008-09. The members are requested to consider their appointment for the current financial year 2008-09 and authorize the Board of Directors to fix their remuneration. Both the auditors have, under Section 224 (1B) of the Companies Act, 1956, furnished certificates of their eligibility for the appointment.

AUDITORS REPORT

The Auditors reported certain delays in deposit of TDS amount during the year in the Report.

There were some delays in payment of TDS amount due to certain technical problems at the time of re-configuration of SAP when upgrading to a new ERP system and on account of delays in banking caused by disruptions due to heavy flooding in Mithapur during the last monsoon. The technical problems were identified, rectified and the amount has been since deposited in the treasury account.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz., March 31, 2008 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

R. N. TATA
Chairman

Mumbai
Date June 24, 2008

Tata Chemicals Limited

ANNEXURE TO THE DIRECTORS' REPORT

Annexure 'A'

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

Disclosures

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken

- Automation of existing Lime kilns Charging System
- Installation of Dual preliher for ammonia still
- Generation of 20 # steam condensate by flashing 120 # steam condensate
- Hot Air Generator plant based on Coal/Biomass
- Variable frequency motor installed in place of conventional
- Installation of Booster Pump in the Cooling Water line of final synthesis gas cooler (E-312) to improve cooling
- Utilization of waste heat from continuous boiler blow down of ammonia plant by installing new Plate Heat Exchanger (E-606)
- Stage blinding of Ammonia plant boiler feed pump (P-601B) to reduce power consumption

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

- Enlargement of Ammonia Still Stack coolers in Soda Ash Plant
- Relocation of Demag for soda ash plant
- Condenser enlargement for MUW plant
- Enhancement in FBD for MUW plant
- Pre-dryer for cement plant
- Combined pre-heater and stack cooler for soda ash plant
- Replacement of CO₂ gas compressor with larger capacity
- Central Prayon Process is under implementation in Phosphoric Acid Plant for improving efficiency and reduction of energy consumption.
- Installation of new Heat Exchanger to pre-heat fuel natural gas of captive power and steam generation plant by using urea steam condensate
- Arrangement for occasional back flushing of ammonia condenser (E-510) to improve efficiency
- Utilization of low grade energy for cooling of synthesis gas by installing Lithium Bromine Chiller
- To upgrade primary reformer combustion chamber refractory to reduce heat loss

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

- Increase in overall soda ash plant operating efficiency
- Increase in overall MUW plant operating efficiency
- Reduction in specific heat consumption of clinker
- Increase in operating efficiency in Water softening plant
- Reduction in consumption of fossil fuels
- Improving energy efficiency of Ammonia plant by reducing steam consumption (Schemes 1, 2, 5 & 6)
- Improving energy efficiency of Ammonia plant by reducing power consumption (Schemes 3)
- Improving energy efficiency of Ammonia plant by reducing fuel consumption (Schemes 7)
- Reduction of steam consumption in captive power plant by utilizing low grade heat (Schemes 4)

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

Form A

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

POWER AND FUEL CONSUMPTION

1 ELECTRICITY

(a) Purchased

	Current year 2007-2008	Previous year 2006-2007
Units (Kwh)	4,91,24,635	3,13,99,132
Total Amount (Rs. Crores)	19.65	14.23
Avg. Rate (Rs./Kwh)	4.00	4.52

(b) Own Generation

(i) Through Diesel Generation (Mwh)	-	-
Unit per litre of diesel	-	-
Cost per Unit (Rs.)	-	-
(ii) Through Power Plant Unit (Mwh)	973.02	168.92
Cost per Unit (Rs./Kwh)	24.34	9.75
(iii) Through Steam Turbine/Generator Unit (Mwh)	3,83,137	4,12,116
Steam produced (Tonnes)	42,41,342	44,95,835
Total Value of Electricity and Steam produced (Rs. in Crores)	198.88	207.21
(iv) Through Gas Turbine		
Units produced (MWh)	1,54,901.00	1,55,872.00
Steam produced (Tonnes)	12,34,142.00	11,45,142.24
Total Value of Electricity and Steam produced (Rs. Crores)	154.36	114.78

2 Coal (specify quality and where used)

(Mostly imported Coal received from various sources and "A" Grade Lignite are used in Boilers)

Quantity (Tonnes)	6,08,244	6,16,037
Total Cost (Rs. Crores)	184.71	165.07
Average Rate (Rs./Tonne)	3,036.85	2,679.55

3 Natural Gas

Purchased (SCM)	17,77,11,021.00	19,13,00,503.00
Total Cost (Rs. Crores)	80.10	87.74
Average Cost (Rs./SCM)	4.51	4.59

4 RLNG

Purchased (SCM)	1,27,22,332.00	62,19,336.00
Total Cost (Rs. Crores)	12.03	5.54
Average Cost (Rs./SCM)	9.45	8.90

5 Naphtha

Purchased (KL)	60,341.37	37,117.48
Total Cost (Rs. Crores)	150.49	78.44
Average Cost (Rs./KL)	24,940.40	21,131.65

6 Furnace Oil

Purchased(KL)	7,484.00	6,753.84
Total Cost (Rs. Crores)	16.00	12.11
Average Cost (Rs./KL)	21,492.00	17,929.71

7 HSD

Purchased(KL)	113.00	87.90
Total Cost (Rs. Crores)	0.37	0.28
Average Rate(Rs./KL)	32,760.00	32,389.82

Tata Chemicals Limited

CONSUMPTION PER UNIT OF PRODUCTION

	ELECTRICITY (Kwh/MT)		STEAM (MT/MT)	
	Current year 2007-2008	Previous year 2006-2007	Current year 2007-2008	Previous year 2006-2007
Soda Ash Light	162.74	152.30	3.60	3.56
Sodium Bicarbonate	50.51	53.09	0.76	0.72
Caustic Soda Evaporated	3,024.46	3,030.41	4.18	2.39
Vacuum Evaporated Salt	61.59	63.68	2.11	2.07
Cement	147.63	133.01	-	—
Urea	64.00	68.00	0.97	1.00
Ammonia	141.00	151.00	0.32	0.14
Sulphuric Acid	41.00	36.00	—	—
Phosphoric Acid	169.00	163.00	—	—
Sodium Tripolyphosphate	213.00	203.00	2.26	2.25
Diammonium Phosphate	46.00	37.00	0.08	0.07
NPK Complexes	34.00	31.00	0.05	0.05
Single Super Phosphate	31.00	30.00	—	—
Sulphonic Acid	70.00	66.00	—	—
SAP (new)	—	—	—	—

	Furnace Oil Ltr/Tonne	
	2007-2008	2006-2007
Sodium Tripolyphosphate	127	103
Diammonium Phosphate	5	4
NPK Complexes	3	4

B. TECHNOLOGY ABSORPTION

Form B

Research and Development (R&D)

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

- Scaled up Precipitated Calcium Carbonate (PCC) from cold sludge process to pilot scale.
- Recovery of Magnesium Hydroxide and dead burnt MgO from brine refinery effluent.
- Use of absorption aid in Soda Ash manufacturing process.
- Utilization of Pure Brine to prepare iodized salt in MUW plant.
- Use of Soda Ash hot effluent for calcium chloride, sodium chloride and calcium sulphate recovery.
- Developed a process for commercial use of CRS (Crushed Refined Soda) in place of Soda Ash in STPP plant.
- Launched boronated SSP for market trail after lab scale success.
- Developed basal fertilizers for paddy in West Bengal

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

- Improving efficiency of conditioning unit in ESF plant.
- Improving washing efficiency in soda ash plant RDF.

- Better CO₂ absorption in carbonating Towers.
- Reduction in cost by use of CRS
- Development of future markets

3. Future plan of action

- Continued R&D efforts to attain objectives of cost reduction, energy conservation, waste minimization / recycling & reuse, value addition, environmental improvement and efficient management of water.

4 Expenditure on R & D	2007-2008 Rs. Crores	2006-2007 Rs. Crores
(a) Capital	1.74	3.32
(b) Recurring	6.25	6.02
(c) Total	7.99	9.34
(d) Total R & D expenditure as a percentage of Total Turnover	0.17%	0.23%

Technology Absorption, Adaptation, & Innovation

1 Efforts made towards Technology Absorption, Adaptation & innovation	2	Nil
2 Benefits derived as a result of the above efforts	NA	NA
3 Imported Technology		
(a) Technology imported	None	None
(b) Year of Import	NA	NA
(c) Has technology been fully absorbed?	NA	NA
(d) If not fully absorbed, reasons and future course of action	NA	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year 2007-08 Rs. Crores	Previous year 2006-07 Rs. Crores
1 Foreign exchange earned		
(a) Export of goods on FOB basis	66.79	77.93
(b) Interest Income from subsidiary	25.15	35.49
2 Outgo of foreign exchange		
Value of imports (CIF)		
(a) Raw materials and fuels	1361.90	1310.38
(b) Stores, components and spares	8.49	6.22
(c) Capital goods	12.24	3.01
3 Expenditure in foreign currencies	110.37	53.83
4 Remittance of dividends	11.64	5.29

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Annexure 'B'

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31 March, 2008.

Name	Gross Remuneration Rs.	Net Remuneration Rs.	Designation & Nature of Duties	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Particulars of last Employment
1	2	3	4	5	6	7	8	9
Adroja G.J	3,031,781	2,021,784	GM - New Projects	B.E. (Mech)	34	15.09.1973	59	
Agarwal Rajeev *	3,369,919	2,207,869	Head - Strategy & Business Development	B.Tech., P.G.D.M.	24	07.05.2007	49	Rockwool India Ltd - CEO
Ananad Sathish S	2,688,991	1,561,266	GM - HR, Chemicals & CPB	B.Com., M.S.W., L.L.B.	24	12.04.2004	46	RPG Cables Ltd. - Sr. Manager - HR
Avallaki Uday (Dr.)	2,718,629	1,791,040	Manager - Biotechnology	B.Sc., M.Sc., Ph.D.	28	28.02.2005	53	Thirumalai Chemicals - Head - Biotech
Basu Arup (Dr.)	5,568,640	3,593,734	COO - Chemicals (Indian operations)	Ph.D. (Technology)	15	01.06.2004	41	Accenture - Sr. Manager
Bhaskar Kumar S	2,804,474	1,606,930	VP - Manufacturing	B.Tech., M.Tech.	25	31.12.1992	50	Chambal Fertiliser - Asst Manager
Bhatiya Vinay K	3,201,850	1,847,185	VP - Manufacturing	B.Sc., AMIE, M.S.	34	10.09.1992	54	Indo Gulf Corp - Joint Manager
Chakrabarty Durgesh	2,622,027	1,544,516	Manager - Medical Services	M.B.B.S.	26	01.06.2004	50	Hindustan Lever Ltd. - Manager
Chandan Rajiv *	1,911,479	1,304,148	Company Secretary & Head Legal	M.Com., L.L.B., FCS, P.G.	21	17.07.2007	43	Lafarge India Ltd - V.P.- Legal & Company Secretary
Chauhan Sunil Kumarsingh	2,491,731	1,546,956	Manager	B.Tech., M.Tech., PGDMM (B.School)	12	10.09.1997	39	Malvika Steel Ltd. - GET
Chhabra Ranjeet Singh	2,634,200	1,767,453	Head - Sales & Marketing - CNB	B.Sc., M.Sc.	30	03.03.2004	54	Duncans Ltd. - Sr. Marketing Manager
Choudhary S G	2,829,133	1,707,968	Head - Technology and SHE	B.Tech., PGDMM (B. School)	30	17.10.1988	53	National Fertilisers Ltd - Asst. Manager Projects
Dalvi Sudhir *	809,070	613,379	Controller	B. Com., CA	20	04.01.2008	43	Godrej Industries Ltd. - GM
Datta Dwipak Ranjan	2,132,367	1,638,700	Manager - Production, Phosphoric Acid	M.Sc.	33	01.06.2004	61	Hindustan Lever Ltd. - Shift Manager
Deshpande Deepak *	1,427,094	1,002,582	GM - Corp HR	B.E., DBM, MMS, Diploma in Training & Development	15	17.10.2007	37	Century Communications Ltd - SR.V.P.-HR
Gadre Vikas	3,771,478	2,478,625	Chief Information Officer	B.Tech (Chem), PGD -Finance Mgt, CS	33	01.02.2007	57	Rallis India Ltd, CIO
Ghose Kishore (Dr.) *	6,37,400	492,973	Head - Medical Services	M.D.	22	29.01.2005	55	Grant Medical Foundation - Medical Director
Ghose Prashant	8,111,964	4,695,359	EVP & CFO	B.Com (hons.), CWA, CS	35	01.11.2002	58	The Tata Iron and Steel Company Limited - Chief (Strategic Finance)
Ghoshal Satyajit	2,597,592	1,741,798	Controller - Fertiliser Business	B.Com., CA, P.G. Diploma	19	26.04.2004	44	Gujarat Guardian - Controller - Fin. & A/c
Goves Guy Ronald	2,033,884	1,378,563	Head - New Projects	M.Com Applied Economics	32	01.04.2003	54	Rallis India Ltd, GM - Fertiliser and Seeds
Gupta Ashok J	9,260,046	5,175,837	Sr V.P. - New Business & Projects	B.Tech. (Chem)	29	04.12.1990	52	National Fertilisers Ltd - Asst.Manager
Hiran Ashvini	3,557,133	2,422,863	GM - CPB	B.E., PGDRM	27	01.06.2004	48	Hind Lever Chemicals Ltd. - Head Sales & Marketing & Customer Development
Jacob Mammen	2,999,685	1,735,999	VP - Manufacturing	B.Sc. (Engg), M. Sc. (Engg)	29	14.04.1979	54	
Jain Padam C *	3,936,809	2,291,311	Advisor to EVP	B.Sc. (Engg), M.Tech.	35	02.03.2006	61	MCFL - Director & Sr. VP - Works
Kalani Satish Chandra	5,060,518	3,176,646	GM - Taxation & Legal	B.Com, CA	29	12.11.1986	56	Ambalal Sarabhai Ent. Ltd - Tax Executive
Kapadia Eruch *	2,548,295	2,388,001	GM - Treasury & Budgeting	B.Com., CWA, CA	16	19.11.2001	42	E-Serve Intl. Ltd. - Manager
Khanderia P M	5,646,789	3,477,938	VP - New Projects (Chemicals)	B.E.(Mech), MS (USA)	37	07.07.1972	58	
Khushrookhan Homi R	16,221,291	8,094,240	Managing Director	M.Sc (Economics), CA	39	01.04.2004	64	Tata Tea Limited - Managing Director
Kumar Rajiv (Dr.)*	1,003,371	700,309	Head - Green Chemistry & Catalysis	M.Sc.,Ph.D	27	10.12.2007	54	National Chemicals Laboratory - Head - Catalysis Div
Kumar T Vinod	4,675,715	3,049,120	Head - Corporate Audit & Risk Management	B. Com.,CA	20	01.06.2004	48	Hindustan Lever Ltd. - GM Commercial
Lal Sanjiv	6,616,147	3,871,806	VP - Technical	B.Tech (Chem)	23	01.06.2004	47	Hind Lever Chemicals Limited - Plant Head - Manufacturing
Langrana Zarir N	3,808,904	2,005,180	Head - Strategy & Business Development	BA., MBA, CWA	26	01.09.1983	49	Tata Sons Limited - TAS Officer
Lodha Ranjeev *	4,697,514	3,150,808	Controller	ACA, M.B.F. (IIF)	20	02.05.1991	43	Suncity Engineers Pvt Ltd - Finance Executive
Mehan Kapil	8,874,573	5,628,566	EVP - Corp.Nutrition & Agri Business	PGDM - IIM	26	05.02.1996	49	Rallis India Limited - GM (Fertilisers)
Menon Prasad R *	4,500,000	3,028,101	Managing Director	B.Tech (Chem), IIT Kharagpur	38	04.10.2000	62	Nagarjuna Fertiliser and Chemicals Ltd. Technical Director and Agri Business Sector Chief - Nagarjuna Group
Momin I L *	5,340,062	3,707,870	VP - Operational Excellence	B.E. (Elec)	36	28.07.1978	62	
Mukundan R	8,978,943	4,561,045	EVP - Chemicals	B.E.(Elec), MBA	18	26.10.2001	41	Tata Auto Comp Systems Limited - GM (Corporate Planning)
Nadar John	2,557,196	1,716,948	Senior Manager - Internal Audit	L.L.B., CWA, CIA, CISA, Certified Fraud Examiner	16	24.01.2006	38	Ispat Industries Ltd. - Assistant GM
Nadkarni Girish *	2,572,058	1,605,416	VP - Finance	B.Com., CWA, CA	16	09.08.2007	40	Tata Industries Ltd - VP
Nair Harish R	2,745,362	1,882,656	Head - Sourcing & Logistics	CWA, B.Sc.	13	04.10.1995	38	T. K. Mehta - Audit Associate
Pal Rohit B *	477,199	382,274	Sr. Manager - Technology	M.Tech (Chem) - IIT Kharagpur	37	01.06.2004	61	Hindustan Lever Ltd. - Chief Technologist
Radhakrishnan T	2,714,122	1,637,119	GM - Operations	B. Tech.	26	22.10.1982	48	
Rajgopalan Srinivasan (Dr.)	2,903,176	1,930,972	Manager - Bio Chemical Engineering	B.Tech., M.Tech., Ph.D.	14	01.07.2005	36	MBI International - Sr. Engineer
Rao B Prasanatha	3,299,918	2,228,190	GM - HR & Admin, CN & AB	B.Sc., L.L.B., PGDPM	20	08.09.2003	47	Wipro ePeripherals - Manager HR
Roy Shouvik	2,857,069	1,918,395	Sr. Manager - Management Accounting	B.Com, ACA	22	01.06.2004	48	Hindustan Lever Ltd. - Logistics Manager
Rathore Laxman Singh *	4,617,975	2,961,888	COO - Agribusiness	B.Com, PGDM	16	05.09.2006	49	Mother Dairy Ind.Ltd, CEO
Ravindranath M	2,442,811	2,099,507	GM - Engineering & Projects	B. Tech.	25	04.10.1982	49	
Sastry Murli (Dr.)	6,006,044	3,793,205	Chief Scientific Officer	M.Sc., Ph.D	25	14.09.2005	49	National Chemical Laboratory, Scientist
Sudhakar Budaraju	6,707,520	4,411,954	Head - Corporate HR & Admn.	B.Sc., PGDBM	21	28.02.2002	44	Reliance Infocom Ltd. - GM (Corporate HR)
Sen Chiranjit	2,481,470	1,232,452	Sr. Mgr- Human Resources & Administration	B.Com, Dip in Social Welfare	32	01.06.2004	57	Hindustan Lever Ltd. - Unit HR Manager
Singh Birendra Bahadur	2,680,210	1,787,302	Sr. Buss. Dev Mgr-Crop Nutrition Business	B.Sc., M.Sc.	27	04.02.1995	48	Indo Gulf Fertiliser - Sr. Manager
Sohoni Satish *	2,173,294	1,525,965	COO - FAB	B.Com, MBA	29	03.02.2003	53	Rallis India Ltd - VP International Business
Sonthalia Ashok	3,173,360	1,696,213	GM - Strategic Finance & Treasury	B.Sc., CA	17	19.10.2006	40	Tata Inc, CFO
Srinivasan Srimam	3,752,419	2,433,634	Head - Biofuels	BA., MBA - Finance Mgt	19	18.03.2002	40	ITel Ind. Ltd. - Dy. GM
Sunder D K *	2,951,019	1,935,147	GM - Sales & Marketing	B.Sc., PGDBM, CWA, FCS	22	17.07.2001	50	Owens Brockway (I) Ltd - Sr Manager - Admin
Tripathi Om Prakash	2,805,469	1,595,633	GM - Projects	B. Tech.	32	08.09.1992	56	National Fertiliser - Assistant Engineer
Tyagi Alok	4,701,145	2,443,554	VP - Strategy, Busi.Devlp.-CN & AB	B.Tech (Chem), IIT Kharagpur, PGDBA-IIM	32	03.02.2003	55	Finolex Cables Ltd - COO
Uppal Navdeep	3,432,561	1,982,419	Executive Assistant to MD	B.Com, CFA, PGDBM, GDMM	28	01.06.2004	47	Hindustan Lever Ltd. - Business Manager (Bulk Chemicals)
Varma S S	5,362,221	3,490,141	VP - SCM & Procurement - Chemicals	M.Sc.,PGDBM	23	20.06.2005	47	MSPL LTD, VP - Marketing & Logistics

- Note : (1) "Gross Remuneration" includes salary, allowances and commission received during the year, Company's contribution to Provident Fund, Superannuation fund and taxable value of perquisites wherever applicable. However provision for gratuity and leave encashment, payments made in respect of earlier years including those pursuant to settlements during the year have been excluded.
- (2) "Net Remuneration" is arrived at by deduction from the gross remuneration, Income-tax, Professional tax, Company's Contribution to Provident Fund, Superannuation fund and the monetary value of non-cash perquisites.
- (3) All the employees have adequate experience to discharge the responsibilities assigned to them.
- (4) Nature of Employment with the Managing Director is contractual.
- (5) None of the above employee is a relative of any director of the Company.
- (6) * Employees who were in service only for part of the year.

On behalf of the Board of Directors

R. N. TATA
Chairman

Mumbai, June 24, 2008

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Tata Chemicals (referred to as "TCL" or "the Company") is one of India's largest producers of inorganic chemicals. The company has, over the last 2 years, transformed itself from being India's largest domestic Soda Ash player to becoming the 2nd largest Soda Ash Company in the world, with a diverse portfolio of value creating assets and brands. TCL now stands apart from many other global Soda Ash companies - it is the only company with a presence in 4 continents and owns, between its US and Kenyan subsidiaries, ~20% of the world's natural soda ash capacity. It is also engages in businesses related to soda ash, such as hydrochloric acid, chlorine and calcium chloride, which are products made in efficient and integrated production facilities. Among these products, TCL now also has a globally meaningful presence in sodium bicarbonate, a chemical with many diverse uses. Additionally, sodium tri-poly phosphate (STPP), made at the Haldia plant, adds to the company's offerings in the detergent intermediates space.

In addition to soda ash & sodium bicarbonate, the company also produces fertilizers (nitrogenous & phosphatic) and packaged salt. Over the last year, the Company has shifted its focus from the mere manufacture and sale of fertilizers to addressing crop and soil nutrition needs in India – a key national priority, at a time when yields and the productivity of agriculture are issues of concern. With the investment in a Joint Venture in Morocco in 2005 by way of backward integration, TCL has secured its requirements of phosphoric acid, the key raw material required for the production of Di Ammonium Phosphate, which is now in acute short supply all over the world. Additionally, TCL has developed a deep knowledge of the rural hinterland of India and established strong relationships with the farming community, through its extensive Tata Kisan Sansar network, which now boasts of over 600 outlets in the north and east of India. It has successfully converted commodity-offerings like Urea and DAP into powerful brands, (sold under the mark "Paras") and created a loyal customer base, built on quality and efficacy.

Over the last year the company has also entered two new businesses areas, viz. bio-fuels and fresh produce. The Food Additives Business, which focused mainly on edible salt, has now been renamed the Consumer Products Business, which will in future extend its offerings to other convenience products required by housewives.

The company has also made considerable progress in its Innovation Centre that will over a period of time build a range of new offerings in novel and emerging technology areas, viz. Bio and Nano Technology.

The highlights of the company's performance, as a consolidated entity, are:

- Net sales (i.e. sales net of excise duty) increased by 3.79% from Rs. 5763.21 crore in 2006-07 to Rs. 5981.68 crores in 2007-08
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 44.76% from Rs. 1120.29 crore in 2006-07 to Rs. 1621.74 crore in 2007-08
- Profit after tax (PAT) increased by 89.83% from Rs. 508.04 crore in 2006-07 to Rs. 964.40 crore in 2007-08
- Return on Capital Employed (ROCE) for 2007-08 was 19.2%, while Return on Net Worth (RONW) was 25.9%
- Fully diluted earnings per share increased from Rs. 20.93 in 2006-07 to Rs. 38.52 in 2007-08

TCL now runs a global business – a business that has the advantage of capturing opportunity in several geographies, but also a business that must take account of and adjust to the vicissitudes of global fortunes. It is appropriate therefore to start by reviewing some of the recent developments in the global business environment.

GLOBAL BUSINESS ENVIRONMENT

Macro-economic trends in Developed & Developing Countries of the World

The sub-prime crisis in the US has been a severe dampener to the activities of large global financial houses, many of whom have had to take large write offs on housing loans, severely constraining the availability of finance for economic growth. In the Jan-March 2008 quarter, the GDP growth of 0.6% in the US would have been negative, but for a sharp rise in inventories. The UK economy, too, is slowing. Like the US, it is also beset by housing sector worries and poor retail spends. GDP growth in the UK is likely to be between 1.5% and 1.8% in 2008. In the Euro zone again, growth is sluggish and there has been a noticeable rise in consumer price inflation.

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Fortunately, the emerging economies have continued to provide a ray of hope. India's GDP growth is slowing in some quarters, but it is nowhere close to the slowdown in the US, the Euro zone or the UK. After two consecutive years of 9% and 9.7% growth, estimates from the Central Statistical Organisation (CSO) suggest the growth in 2007-08 was ~9%. This makes India the second fastest growing economy of a credible size after China.

China, being a large exporter to the US, has also been affected to some extent by the US slowdown in the second half of 2007-08. It recorded a growth of 10.6% in the first quarter of 2008. However, fortunately, high growth rates are being sustained in emerging markets such as Latin America, Russia and Eastern Europe. Today, these growing economies are the major drivers of demand for food and other manufactured products globally. The widely prevailing consensus is that while they will be affected to some extent by global developments, their growth stories are still intact and these economies will continue to be resilient.

TCL, as a business, is now positioned in the global business space. The acquisition of General Chemicals Industrial Products in the USA in the last quarter of 2007-08, means that the company now has a presence in the US market for the first time. Fortunately, almost 35% of the production of General Chemicals finds its way to export markets and as of today there is unfulfilled demand for Soda Ash globally with every producer working to full capacity and struggling to satisfy demand. The potential of emerging economy markets will continue to fuel demand for soda ash and while the Company's European operations may need to focus on efficiency and maintaining market share, operations in Kenya will be pushing output to meet growing demand.

Rising Oil Prices

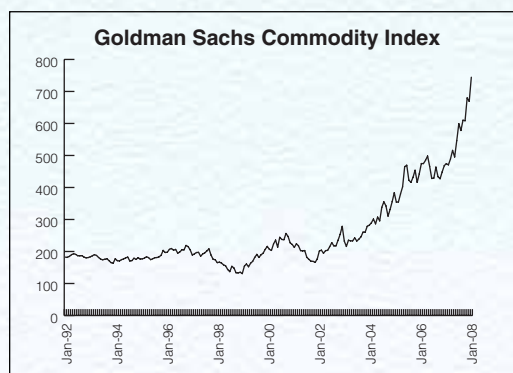
The global crude oil price for July delivery rose to US\$133.17 a barrel on NYMEX on 21 May - the highest since futures trading began trading in 1983. In the US, gasoline prices have sky-rocketed and, in effect, have imposed a tax equivalent to 2% of US household disposable income. This has also significantly increased production costs, fuelling inflation and the costs of some key inputs including freight, not to mention a dampening effect on global demand.

Ocean Freight

From September 2007 onwards, the unprecedented demand for minerals and grains has boosted the dry bulk freight market. The Baltic Dry Index (BDI) set a new record of 10,513 on 11 October 2007, an increase of 57 percent since June 2007. Global ocean freight rates have further accentuated the rise in the delivered prices of commodities.

Commodity Prices, including Food

Both soda ash and fertilizers are primary products and both have been part of the significant rise in commodity prices globally. The chart below shows the steady increase in global commodity prices as measured by the surge in the Goldman Sachs Commodity Index (GSCI).



The World Bank agricultural price index has jumped from 164.8 in Q1 (Jan-Mar) 2007 to 236.5 (Q1, 2008), a growth of 43.5%. This has provided larger incomes to agricultural households, raising the demand for fertilizers. This also has been a dampener to overall global demand for non-food items, as disposable incomes with households decrease.

Climate Change

There has been an increasing awareness of the effect of high emissions of green-house gases on global climate change. Developing Countries in particular are faced with the challenge of meeting the growing demand for energy. This is bringing focus onto efficiency improvements in energy usage and clean and efficient energy generation technologies.

TCL sees this as a business opportunity, rather than a problem. Its Innovation Centre is working on technologies that can mitigate Climate Change through "green chemistry" and product offerings that will make a difference like Flue Gas treatment, Carbon Absorption and Nano glass-coatings for insulation.

TCL'S BUSINESS SEGMENTS & GROWTH STRATEGY

TCL's business can be divided into three broad segments – Chemicals, Crop Nutrition & Agri-Businesses and other new business initiatives, with the former two, each today accounting for around 50% of revenues.

TCL has been growing aggressively over the last 4 years and the compound annual rate of growth of revenues over the last 4 years has been in excess of 33%. In Chemicals because of the already meaningful presence the company had after the acquisition of the Brunner Mond Group in 2006, it had been looking for some time to expand its geographical footprint, focusing on low cost, natural soda ash and a greater share of global trade flows. The acquisition of General Chemicals was in conformity with that vision and has now propelled the Company to the number 2 rank globally.

In Crop Nutrition the Company is seeking to build a business that is distinct and value creating in the Agri-sector. The focus is again on growth to meet the growing demand for fertilizers in India either through de-bottlenecking or brown-field expansions while concurrently exploring interesting opportunities to expand operations into low cost gas countries which can equally service Indian or global markets. The business focus will encompass addressing problems like soil health, agricultural productivity and rural prosperity, so that the company can play a part in the development of agriculture and the farming sector, leveraging its presence via the Tata Kisan Sansar and other related businesses like Fresh Produce.

In new business areas, the company has made a beginning in Biofuels and new products that will emerge from the Innovation Centre in the years to come.

Each of the three segments mentioned above are analysed in detail separately in the next sections.

CHEMICALS

TCL's Chemicals business consists of two divisions the Global Chemicals Business, and the Consumer Products Business.

Global Chemicals Business

The Global Chemicals business manufactures and sells soda ash (Na_2CO_3), sodium bicarbonate (NaHCO_3), and other industrial chemicals such as STPP and cement. Of these, soda ash and sodium bicarbonate are products in which the company is a global player. Additionally, Chemicals operations in India produce STPP, gypsum and cement and in the UK, the company manufactures calcium chloride.

Soda Ash:

With the recent acquisition of General Chemicals Industrial Products (GCIP) in the USA, in the last quarter of 2007-08, TCL has emerged as the world's second largest producer of soda ash. The acquisition of GCIP which initiated in mid January 08 was completed swiftly and smoothly by end-March 08 at a cost of USD 1.005 Billion. The funding was also completed very swiftly by utilising USD 155 million of internal accruals, ECB of USD 475 million, and US borrowings of USD 350 million secured by way of non-recourse debt on the assets of the acquired company.

The GCIP acquisition has increased the company's capacity by 2.5 million tons and has helped the company enter the US, Latin America and Far East markets. GCIP is also a member of the American Natural Soda Ash Corporation (ANSAC), which is the world's largest trader of soda ash, managing over 5 million tons of US exports. The company is presently engaged in a 50-day integration process by the end of which all soda ash producing entities of the company will function in an integrated manner as a single global business.

Subsequent to the GCIP acquisition, TCL's global soda ash capacity has increased to 5.5 million metric tons, of which 3.2 million tons comprises of natural soda ash, obtained from trona from underground mines in Wyoming, USA and sodium carbonate-rich brines in Lake Magadi, Kenya. The world's largest deposits of trona are found in the Green River Basin of Wyoming. While soda ash can also be manufactured by a chemical reaction of salt and limestone, both available in abundance, the natural process is less energy intensive and therefore as time passes will enjoy a distinct advantage as energy costs rise. The control that TCL now has over cost-effective natural soda ash assets will insulate it to a large extent from the consequences of a business down turn, which at this point of time appears unlikely.

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Additionally, post the GCIP acquisition, TCL has become the world's most geographically diversified soda ash company, with manufacturing sites in four continents, allowing it to have a very efficient supply chain that can service customers better across the globe.

Global soda ash demand in 2007 grew to 47.1 million tonnes from 44.3 million tonnes in 2006, an overall growth of 6.3%. Of this, China's share grew to 15.9 million tonnes from 14.3 million tonnes, representing a growth of 10.7%. Russia witnessed a growth of 4.5% over the same period. At the regional level, soda ash demand in Asia and the Middle East increased by 11.4% to 24.5 million tonnes in 2007 from 22 million tonnes in 2006. These markets account for 89% of the growth in global demand.

Soda ash is an important industrial chemical used in the manufacture of glass, detergents, dyes, silicates, and other chemicals. Most of these user industries witnessed strong demand levels in 2007-08. Much of the global demand was driven by emerging markets like China, India, Russia and Latin America, where growth is linked to rising income levels and growing urbanisation. The latter drives infrastructure growth. While the improving quality of life, for a larger population base, leads to a greater demand for automobiles, detergents and dyes, the growth in building construction has led to an increase in global demand for glass. As the growth rate in the emerging economies of China, India, East Europe and Latin American countries is expected to be above 8 % pa, it is expected that the current growth trends in Soda Ash demand will continue.

The world capacity of both synthetic and natural soda ash is about 48 million tonnes and 90 per cent of the world production soda ash comes from Europe, US and Asia. During 2007 global production increased marginally from 42 million tons to 43 million tons. Although China is expected to add around 2 million tonnes per annum capacity in 2008-09, due to the strong demand within the country, Chinese imports are unlikely to be a threat for some time.

The Soda ash industry is also experiencing significant cost pressures due to the soaring prices of various commodities like oil, coal and coke, not to mention very high ocean freights. These rising costs and tight availability have led to international Soda ash spot prices increasing from US\$ 215 T in April 07 to ~US\$ 325 T in Mar 08 on a CNF India basis. Considering that the input costs pressures are likely to continue and soda ash demand increase will exceed planned capacity additions, for this reason also the present firmness in Soda ash prices is likely to continue for some more time.

In 2007-08, TCL produced 2,320,160 tons of soda ash across different locations. The group's net sales from Soda Ash was Rs. 2212 crores, an increase of 1.5% over 2006-07.

Sodium Bicarbonate:

Sodium bicarbonate is commonly used as a food additive, an animal feed, a pharmaceutical raw material and also has several industrial applications. Tata Chemicals is the world's fourth largest manufacturer of sodium bicarbonate, with its combined capacities in Europe and India.

Globally, the industry has a capacity of approximately 3.4 million metric tons, and consumption levels of about 2.6 million metric tons. While China and the emerging economies of Eastern Europe are major exporters of sodium bicarbonate, India, the Middle East, Africa, and South-East Asia are net importers of sodium bicarbonate. However both China and Eastern Europe supply technical grade bi-carb, which needs to be processed further for specialised applications.

Production from Mithapur caters largely to the Indian market, whereas production from the UK and Netherlands caters to the European market. The sodium bicarbonate market in India grew by 3.9% in 2007-08, driven mainly by the textile, tanning and feed industries. TCL is a market leader in India, with a market share of 52.8% and the company anticipates significant growth in this product over the next few years, particularly for specialised applications. A major new application is the treatment of flue gases, including emissions from thermal power plants. With the power sector in India growing rapidly, this application could have potential. In Europe, Brunner Mond has the third largest market share. During the year, production commenced at a new, state-of-the-art, Bi Carb plant at Delfzijl in Netherlands with a capacity of 50K TPA. This plant is capable of producing various grades of bicarb which can be used for applications like haemodialysis, pharmaceutical preparations, animal feeds and flue gas treatment. With the opening of this plant in Netherlands Brunner Mond can service other European markets in a more cost effective manner.

STPP:

Sodium Tri Poly Phosphate (STPP) is primarily used in the manufacture of higher-end detergents. TCL is the market leader in STPP production in India, with a market share of 40.65%. During 2007-08, the STPP business went through turbulent times with the prices of key inputs, sulphur and rock phosphate, increasing by nearly ten times over the last few quarters. This put a severe pressure on margins and some users changed over to other alternates to STPP. While STPP prices were increased, the increase was limited by competition from imports and competing products. The economics of continuing the manufacture of STPP is currently under review.

Cement:

TCL's cement plant was set up in 1993 to handle solid wastes and fly ash generated in the production of soda ash. The plant caters to markets in adjacent regions of Saurashtra and Kutch. In 2007-08, the cement plant produced 380,907 MT, 25% lower than the tonnage produced in 2006-07 on account of limitations in the availability of power and an equipment failure (turbine gearbox). Power is being augmented during 2008-09 and a long-term asset management plan has been prepared to safeguard against equipment failures.

Calcium Chloride:

TCL's subsidiary, Brunner Mond, produces calcium chloride at its plants in Europe as a by-product. Calcium chloride is used in refrigeration, dust suppression and de-icing. This year also saw the development and first sales of a food grade calcium chloride with the Brunner Mond facility at Northwich getting its calcium chloride product certified on 1 November 2007.

Consumer Products Business

The Food Additives Business, whose products have so far included branded packaged salt and sodium bicarbonate, has been renamed the "Consumer Products Business" to reflect the changing aspirations of the business, which is seeking to leverage its distribution strengths and brand management skills in the consumer products space. Bicarbonate based product applications, convenience and offerings aimed at nutrition are under consideration.

Over the last few years, TCL has improved its market reach and strengthened the distribution of salt in metros, mini-metros and Class I towns. The Tata Salt Brand has maintained its equity at a level that is almost double that of its nearest competitor within the salt category.

The company's second salt brand 'I-Shakti', which was test marketed in 2006, and rolled out nationally in 2007-08 has also been very well received by customers. In several states it has become the No.2 brand behind Tata Salt, within the national branded salt segment (ACNielsen ORG Retail audit data Mar'08).

During the year, the company also launched Tata Salt-Lite, a low sodium salt with a 15% lower sodium content than normal salt. Low-sodium salt is recommended for those suffering from hypertension. The brand has already generated encouraging response across all metro cities.

BUSINESSES IN THE AGRI SECTOR

TCL's presence in this sector has three separate components – the Crop Nutrition Business (manufacture and sale of fertilizers), Tata Kisan Sansar (centres offering inputs and services to farmers) and a recently started Joint Venture in Fresh Produce (distribution and supply chain for fruits and vegetables). These three businesses all cater to the Indian market are therefore affected by the developments in agriculture in India. As a precursor, this portion of the MDA commences with a brief account of the emerging agricultural scenario in India.

Emerging agriculture scenario in India

Certain macro developments have refocused interest on the agriculture not only in India, but also globally, such as the spurt in food prices, low food inventories and stagnant agriculture growth.

In India, accelerated growth in agriculture is vital to inclusive economic development for the country. In fact, in 2007-08, with the slight slowdown in both services and industry it has been the better than expected growth in the agriculture sector that has helped India maintain an overall growth rate of around 9%. (The agriculture sector, which had grown by 3.8% in 2006-07, grew by 4.5% in 2007-08).

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While this is encouraging, Indian agriculture continues to face pressures from population growth and rising income levels, which are pushing up the demand for food. The limited scope for increase of arable area in India underscores the need for higher productivity to meet this demand and regrettably productivity has been stagnant.

Among other factors, long-term soil health has now become of critical importance. A major concern for Indian agriculture is the imbalance in the use of major nutrients N P and K caused by the prices fixed for different nutrients under the current pricing system, rather than the actual requirements of the soil. Apart from the need for appropriate nutrients, the other key factors for the revival of the agriculture sector are the use of modern methods of farming and appropriate market access and price discovery mechanisms for the farmer.

TCL is poised and well suited to not only take advantage of the growth and changes in the agricultural sector but also make a contribution to its future development.

Crop Nutrition Business

In order to reflect the fact that the leadership of the Fertilizer Business saw its role as going beyond merely being a manufacturer and seller of fertilisers, it decided to rename itself as the Crop Nutrition Business. The company sees itself as being able to address soil health correction and improve crop yields by providing the right combination of inputs necessary. It has broadened its offerings from just three primary plant nutrients: namely nitrogen (N), phosphorous (P) and potassium (K) to Secondary nutrients: namely Calcium (Ca), Sulphur (S) and micronutrients like Zinc (Zn), Boron (B), etc.

Owing to the nature of government regulations, the company's market presence has been localised to certain geographical regions within India, viz. certain parts of North and East India. TCL's product portfolio presently comprises of Nitrogenous fertilisers (Urea) and Phosphatic fertilisers (DAP and Complexes), representing 92% of the crop nutrition business' revenues. TCL also imports some amounts of Phosphatic fertilizer (DAP) and Potassic fertiliser (MOP), which together account for 7% of revenues. This continues to be a regulated sector of business within India and TCL's growth therefore has to be within the contours of such regulations. Secondary and Micronutrient products (Calcium Nitrate, Zinc Sulphate, Micronutrient Mixtures, Granubor and Sulphur Pastilles) account for 1% and are outside the realm of price and movement control.

Fuelled by the growing consumption of fertilisers in the US and the developing world, especially China and India, fertiliser prices are today at an all-time high. Current DAP prices at ~US\$ 1200 T FOB US gulf are nearly five times the price that prevailed 12-18 months ago. Similarly, Urea prices have crossed US\$ 650 T FOB Yuzhny level, which is significantly above the historical price level of around US\$ 200 T. MOP prices which used to be around US\$ 200-250 T are today quoted at ~US\$ 1000 T. Fertiliser input prices specially for Sulphur and Rock Phosphate have also increased substantially. Sulphur prices have now crossed the US\$ 800 T mark on CNF India basis, which is 12 times more than the historical price level of ~ US\$ 60-70 T. Rock phosphate prices have also risen 7-8 times over their earlier level. Softening of fertiliser demand or fertiliser input prices is highly unlikely in the coming year and this global trend is going to put enormous pressure on the subsidy bill. At the current input prices we expect the subsidy bill to cross Rs. 100,000 crores against a provision of ~ Rs. 31,000 crores in the Union Budget.

It could be mentioned here that in our fertilizer policies over the past few decades there has been an over-emphasis on 'price', at the expense of far more important considerations like 'abundant availability' and the 'rational use of fertilizers'. The policy of keeping farm-gate prices of fertilizers at artificially low levels has led to a situation where price alone determines the choice and quantity of fertilizers used by most of our farmers and value creation through using the right fertilizers in the right quantities is totally lost sight of. In the long run leads to an enormous amount of national wastage and, with the current prices of fertilizers internationally, an enormous and unnecessary strain on the exchequer. At times crisis drives policy and we are fast approaching that stage.

A few months ago (in October 2006), the government finally announced in NPS III, a new urea pricing policy which encouraged urea manufacturers to produce beyond their original capacities by debottlenecking existing plants. TCL were quick to embark on a project to de-bottleneck the Babrala plant and enhance capacity by 25%. The debottlenecking project (an 18-24 month project) has made significant progress over since it commenced in early 2007 and will be completed on schedule. The increased capacity is expected to come on stream in last quarter of 2008-09.

Government has also announced a new subsidy scheme for SSP which ensures reimbursement of actual costs of inputs to industry, subject to certain conditions. This is again a welcome move that will provide much needed relief to the SSP industry and should lead to increased production of SSP in the country. However with current prices of Rock Phosphate and Sulphur there will be an inevitable increase in the subsidy bill.

India's Urea imports now account for over 30 % of the total country's demand. With KG basin gas availability now looking imminent, government is said to be at an advanced stage of formulating a new investment policy for Urea companies. Based on interactions between the Industry Association and the Government, manufacturers may be assured of prices linked to IPP (International Parity Prices) with a cap and collar system, for debottlenecking, expansions and brown-field projects, thereby doing away with the cost-plus approach of the past. This again would be a positive step for the industry.

TCL's urea manufacturing facility located at Babrala, Uttar Pradesh produced a record 1,070,308 tonnes of Urea in 2007-08. TCL urea sales registered a growth of 2.57% in 2007-08. TCL sold a record 10.4 lakh tonnes of urea as per the Government allocation accounting for 4.15% of the country's total market for urea. In the focused market of the core command area (300 km radius around the Babrala plant), TCL's market share was 13.95%. Management is of the view that a comprehensive approach to crop nutrition will not only enable the company to serve the farmers better, but would also improve agricultural productivity.

Babrala, now, also has the unique distinction of being the recipient of 4 Swords of Honour from the British Safety Council. During 2007-08, it also secured the prestigious International Asia Pacific Quality Award and the Excellent Energy Efficient Unit Award under the National Award for Excellence in Energy Management 2007 Programme conducted by CII – Godrej GBC.

While urea sales grew at a healthy rate, with erratic availability of raw materials and the unprecedented price rise of fertilizer as well as raw material, in global markets, there was lower production of Phosphatic fertilisers, including DAP, NPK and SSP at the Haldia plant. The production for the year was 627,890 tonnes which was 20.9% lower than the previous year. During the year, the company succeeded in effecting considerable cost savings and improving the underlying profitability of its Haldia operations. Haldia won the prestigious IMC Ramkrishna Bajaj National Quality Special Award for Performance Excellence 2007.

There was a major thrust on sales of speciality and micro nutrients, for Crop Nutrition. The sales for these products grew by 65 % to Rs. 83 Cr. for the financial year 2007-08.

Two years ago, the company took a strategic one-third stake in Indo Maroc Phosphore S.A. (IMACID), a JV with Chambal Fertilisers Co. Ltd. and OCP, Morocco in order to secure its supplies of Phosphoric Acid. In the calendar year 2007, IMACID achieved a record production of 4.22 lakh MT of Phosphoric Acid. It has now paid off all debt, wiped off all past losses and declared a maiden dividend of 20%. It has also achieved 1,311 days of accident free operations. Unfortunately in the Jan-March quarter of 2008, the company faced a major shortage of Sulphur and with astronomic prices, had to cut back to some extent on production. Supplies of Phosphoric Acid for DAP production were therefore erratic in this quarter and DAP production was severely curtailed.

Tata Kisan Sansar (TKS)

After some rationalisation of marginal centres, the number of Tata Kisan Sansar (TKS) outlets now operational are 613, spread over seven states in the North and East of the country. The largest concentration is in Punjab, Haryana and UP but during 2007-08, the Company strengthened its network in West Bengal and Jharkhand and established a footprint in Bihar. The network follows a hub and spoke model with 32 hubs (or Tata Kisan Vikas Kendras) that act as central resource centres to service the 613 TKSSs, which, in turn, service around 20,000 villages and give the Company access to over 2 million farmers. The TKS outlets have over the years built strong bonds with farmers and now no longer restrict their operations supplying fertilisers and other farm inputs. They now offer a variety of services and have become a trusted interface, providing a variety of farming solutions, such as advice on crops and farming practices, information on prices of their produce together with contract farming arrangements and market linkages for agricultural produce.

The TKS outlets are an excellent platform for developing new farm-related businesses in the agri-space, such as the fresh produce business that the company has recently entered via a new 50:50 joint venture with Total Produce plc, of Ireland. Several offerings from other Tata Group Companies, now made available through TKS outlets have

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strengthened the TATA Brand presence in rural India. They have also given TCL deep insights into the issues and problems of rural India.

Tata Kisan Sansar is an inclusive growth model of TCL that encourages rural entrepreneurship, capability building and co-creates value with farmers.

Khet Se: Fresh Produce business

In January 2007, TCL formed a 50:50 JV Company in India with Total Produce plc. of Ireland. Total Produce is Europe's largest fresh produce company and was earlier known as Fyffes plc. The JV Company is registered in India as Khet-se Agriproduce India Private Limited and is gradually building a strong Brand identity of its own. The objective was to create state-of-the-art distribution facilities for fresh fruits and vegetables across India by leveraging the individual strengths of both partners, viz. the network of TKS agri-service centres, coupled with the knowledge and experience of Total Produce gained over 100 years of operations in fresh produce. This is a new and emerging market with enormous potential.

During the last twelve months Khet-Se established the First Collection cum Primary Processing cum Distribution centre, which is a, state of the art, cold storage and ripening facility at Malerkotla in Punjab. The Distribution Centre supplies cash and carry wholesale stores for fruits and vegetables in Ludhiana which are franchised.

The company's next centre will be in Maharashtra. In 2008 plans are being drawn out for a rapid roll-out of the model across other regions over the next few years.

OTHER BUSINESS INITIATIVES

Bio-Fuels

The company entered the biofuels business, looking to the rapid depletion in the world's fossil fuel reserves, the escalation in oil prices and the planet's need for cleaner fuels. The Company believes that issues of food versus fuel, although highly relevant today, can be addressed over a period of time through the use of appropriate feedstock and promising technologies that dramatically alter the economics of this business. TCL can leverage its strengths in farming and agriculture, chemical processing skills and scientific research to build this business in a sensible and sustainable manner.

The Company's current choices of feedstock are Jatropha for Bio Diesel and Sweet Sorghum for Bio Ethanol. The former grows on wasteland and the latter is superior to sugarcane and sustainable in semi-arid agro-climatic conditions of certain states in India. Trial Sweet Sorghum cultivation in Maharashtra has been very successful and the company's first bio ethanol plant will be commissioned during 2008 in Nanded. Sweet sorghum also has potential in other regions of the world, currently under consideration.

The Company's Innovation Centre is in parallel exploring novel feedstock options and developing more efficient technologies for the manufacture of biofuels.

Innovation Centre

The Company has over the years developed, grown and created a meaningful business presence in two major business areas, viz. Inorganic Chemicals and Fertilisers. While the scale and width of operations in these businesses has been growing and there is still substantial untapped growth potential and ancillary growth possibilities in adjacent spaces for these businesses in the years ahead, both business, although seemingly "timeless", are essentially old-world, old-technology businesses - heavily capital intensive and often prone to commodity cycles. It was clear to management that the Company needed a set of new businesses that could be a third cluster of offerings which are based on new technology, are cleaner (i.e. less environmentally degrading) and are more sustainable. With this purpose in mind TCL set up an Innovation Centre (IC) in 2005-06. After a period of seeking out new technology options and determining the likely fit with the Company's vision and mission, the area of focus narrowed down to biotechnology and nanotechnology. In fact, the intersect of these two relatively new technologies, throws up some very interesting and exciting possibilities. As convergence takes place in the world of science and the lines between different fields of science blur, particularly between chemistry and biological processes, there is a huge promise in creating totally new products that can service unmet needs.

During 2007-08, the pool of highly qualified scientists working in the IC has grown. As of 31st March 2008, there are 28 scientists including nanotechnologists, biotechnologists, molecular biologists and bioengineering experts. Over the next three years, the Centre aims to have a team of around 150 scientists. There is dedicated resource for issues related to IPR and a business development group.

At present, the Centre runs out of a leased laboratory in Pune. The company has acquired 26 acres of land at Pirangut on the outskirts of Pune and is in the process of constructing a dedicated state-of-the-art R&D centre, which will become its central knowledge hub.

The scientists are encouraged to dedicate a part of their time to exploring “blue-sky” options, but concurrently, to also look at existing products and technologies and seek out new line extensions and improved processes for the company's current offerings - akin to the two ends of a “bell-curve”. In the centre of the bell curve, where the domain expertise really lies, the IC's focus will be on developing novel products and processes via the application of bio and nanotechnology.

Current projects include:

- New processes for the manufacture of Bio Diesel and Bio Ethanol
- Catalysis and green chemistry
- Nano materials (including coatings), bio materials and advanced / smart materials
- Nutraceuticals
- Alternate sources of energy, water purification, etc.
- Specialty and fine chemicals

In addition to in-house research, the IC also partners and collaborates with several universities and reputed scientific institutions across the world as also R&D Teams of other Tata Companies. Several research projects of a more futuristic nature, dealing in cutting-edge research, are carried out in specialised institutes.

HUMAN RESOURCES

TCL had 3324 employees in India and 1533 employees overseas totalling over 4857 employees as on 31 March 2008. Industrial Relations were cordial across all geographies. In fact, TCL won the coveted FGIAE (Federation of Gujarat Industries Award for Excellence) award for the Mithapur Site having the best industrial relations.

During the year, the company worked extensively on identifying the needs of employees across all categories and levels. There were several planned interventions based on employee feed-back. 2007-08 was declared to be the “Year of People” and several innovative initiatives were introduced to enhance enjoyment at the workplace and make TCL a “Great Place to Work”. Some of the practices are seen as benchmark practices in the industry. The employee engagement scores have shown significant improvements, in all measures.

The company strongly believes that employees are central to the company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. On an average during the year, the company invested around 10 man days per employee in training for managerial personnel and around 5 man-days per employee, in non management levels. This was done in a structured manner balancing the needs for training in behavioural, functional, managerial and leadership areas.

TCL has a comprehensive HR strategy aligned to the long term strategy of the company. Company has robust talent management and succession planning processes in place and has been tracking the talent pipeline consistently for leadership bandwidth. Employee retention and development issues are given attention at the highest level in order to equip the organization to handle both consolidation and growth. These efforts helped considerably in reducing attrition and ring fencing talent within the company.

During 2007-08, the Company worked extensively on developing the functional skills of employees, while preparing the organisation to develop a global mindset. Changes to mindset were seen as a high priority by the top team. A good balance was struck between Management Development programmes, Officers Development program Operator Certification programmes and Leadership Development Programmes through Tata Management Training Centre (TMTTC).

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An Important differentiator leading to success in today's competitive world is the ability to effectively communicate across the stakeholder segment. The company broke national records for the second year in a row at the ABCI National Awards for excellence various forms of internal and external communications. The company enjoyed substantial Share of Voice vis-à-vis its competitors in the Chemicals and Fertilizers' industry. The Communication Effectiveness Index (CEI) for employee communication has gone up significantly.

SUSTAINABILITY**Community Engagement & Environment Management**

Care for the community and sustainability concerns are an integral part of TCL's Value system. Over the years TCL has embedded these values into its operations in a variety of ways, such as promoting and establishing the Tata Chemicals Society for Rural Development, undertaking and establishing programs and processes for greening and conservation and promotion of volunteerism within the organization. An integrated approach is adopted towards development, wherein, creating social capital within the communities that we serve is given prime importance.

"Uday" – a Rural BPO, was set up in partnership with Tata Serwizol in Mithapur to help bridge the digital divide between the rural and urban population and provide employment to more than 100 educated rural youth. The learning from this experience is now being transferred to Babrala for starting a similar BPO at that site.

"Okhai" is now becoming a well-known brand for handicrafts and garments made by communities around Mithapur. Okhai has now hosted its own website www.Okhai.org featuring Okhai products and improving the prospects of the Okhai women's economic empowerment movement. Self-help groups at Babrala have also initiated the production their own craft of Karjobi embroidery. Going forward the Company aims to set up exclusive shops for selling Okhai products in select cities – the first being Ahmedabad.

The Company has developed expertise in water management and it was awarded the "Beyond the Fence" award constituted by CII for water management. The Company has continued to provide facilitation and resources for making more and more villages surrounding our sites water self-sufficient and resolve water issues in the region.

Ponds are an integral part of the Bengali ethos and at Haldia a program for scientific pond management has been taken up. Self-help groups in the area are being trained in pond management and maintenance. 6 model ponds were also established so that awareness about pond management practices increases in the local areas.

On the conservation front, in association with the Gujarat Forest department, efforts to save the Asiatic lion by barricading open wells in the Gir Wild life sanctuary has been taken up. We have also promoted eco-clubs in the rural schools and 20 such clubs promoting understanding and awareness about environment and ecology have been formed. We have continued to provide support to "Save the Whale Shark Campaign" for saving the largest fish in world, which is in the critically endangered list. The program is being done in collaboration with Wildlife Trust of India.

We also continued to provide development support to the community through programs on health (eye camps, Swasthanagan), education (Bal Utsav, adult education) and building infrastructure as required. The employees of Tata Chemicals have participated whole heartedly in all of these programs, and, surpassing all expectations, volunteered 24,656 hours towards community development.

Community welfare and development activities have also been carried out at our international locations. At Magadi Soda – Kenya, the programs focused on:

- Water supply to the local communities
- Championing the construction of a second boarding school for improving infrastructure to support education
- Health care, HIV& Aids prevention program
- Community Skills Upgrade program
- Promotion of community co-operative for taking up outsourced jobs.

During the drought last year, the Company supported the Magadi Community by contributing for purchase of food

for the local community. Company employees contributed for this worthy cause. The Company is working closely with Arid Lands Program in the Office of the President on drought cycle management.

Magadi Soda's Corporate Social Responsibility Program has won the Kenya Institute of Management's Company of the Year (COYA) Corporate Citizenship Awards for six years in 2000, 2002, 2003, 2004, 2005, 2006 and 2007. The International Finance Corporation (IFC) has also recognized Magadi Soda's CSR Program, as a model for business and community partnership. Awards for good environmental practices have come from Petroleum Institute of East Africa (PIEA) and the Total's ECO Challenge Program.

Energy Conservation and Clean Development Mechanisms (CDM)

TCL is engaged in fostering Sustainability and introducing Climate Change strategies into its operations. The Corporate Technology and Sustainability Group under mentorship of the Managing Director is building networks within the company and outside to work on sustainable manufacturing practices and respond to the emerging expectations of Climate Change issues. TCL is signatory to the Global Reporting Initiative, TERI-CoRE, Responsible Care, Global Corporate Roundtable on Climate Change at Earth Institute, Columbia University. During the year it has received the Indian Chemical Council's Aditya Birla Award for Most Committed Responsible Care Company.

Manufacturing operations are working towards a "Green Manufacturing Index" to reduce energy consumption, minimize water consumption, reduce pollution load by adopting the concept of Reduce, Recycle & Reuse and has set targets in each area.

TCL is actively pursuing the CDM Process of UNFCCC to derive benefits from energy reduction and alternate fuel projects at its various plant locations and several projects have been identified across Mithapur, Babrala and Haldia with potential revenues for the protocol period up to 2012. Four projects are already registered with UNFCCC against which 22,500 MT CER have been issued and about 30,000 MT CER are under review. TCL is also evaluating the possibility of availing carbon credits for Coated Urea, Bio Fuels and Natural Soda ash projects. TCL networks with several international agencies and Carbon Exchanges for aggregating the projects over a period of time to realise the best value for the same. TCL is member on the Steering Committee and Working Group of Climate Change formed by Tata Quality Management Services for Tata Group Response to Climate Change.

INTERNAL CONTROL & RISK MANAGEMENT

As an intrinsic part of the overall Governance process, the Company has in place a well established Internal Audit and Risk Management framework which covers all aspects of financial and operational controls. The head of the Internal Audit Department reports directly to the Chairman of the Audit Committee of the Board of Directors, thereby ensuring total independence. Likewise the Corporate Head of Safety also has direct access to the Chairman of the Audit Committee.

Internal Audits at TCL are performed by an in-house team of multi-disciplinary professionals. Reviews are conducted on an ongoing basis, based on a risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. Audit findings & recommendations are presented by the Head Audit to the Audit Committee on a quarterly basis. Emphasis is laid on closure of agreed actions and root cause analysis of issues, ensuring that issues are addressed in a comprehensive manner.

At TCL, we believe that every employee has a role to play in fostering an environment in which controls, assurance, accountability & ethical behaviour are given high importance. To supplement the reviews carried out by the internal audit teams, we follow an elaborate system of Control Self Assurance (self audit) which is carried out through the year. Besides coverage of all critical departments in the organization, this exercise has also been extended to our CFA's & Salt Packing Centres.

At TCL, a formal Risk Management framework was established in 2003, well before it was mandated by Clause 49. Over the years, Enterprise Risk Management has evolved into a robust exercise entailing a balanced bottom up and top down approach, covering all units, functions and departments. The basic framework followed is based on the international standard AS/NZS 4360:1999. The ERM process entails: Identification, Analysis, Assessment, Treatment (mitigation) and Review. Risk Management as a process is embedded in the Strategic Planning Process of the Enterprise and our emphasis is on identifying and managing key operational and strategic risks. Through this approach, the Company strives to identify opportunities that enhance organizational values while managing or

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mitigating risks that can adversely impact its future performance. The risk management framework entails regular review of risk status and risk exposure by designated senior management committees. The Board of the Directors and the Audit Committee are also periodically apprised of the risks and the initiatives taken by the Company to mitigate material risks.

The Company has set high standards in this area and benchmarks its processes in Internal Audit and Risk Management with global best.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

As part of the Tata Group, the Company practices fair, ethical and transparent governance measures and strive to improve them further. The Corporate Governance philosophy of the Company has been further strengthened with the adoption of the Tata Business Excellence and the Tata Code of Conduct few years ago. The Company through its Board and Committees endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders. During June 2008, the Board appointed a Nomination Committee as a step towards further excellence in the Corporate Governance practices.

The Company is in compliance of the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges.:

2. Board of Directors

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges, in which the Company's Ordinary Shares are listed. The composition of the Board as on March 31, 2008 was as under:

2 Promoter, Non Executive Directors (Including the Chairman)

1 Executive Director (Managing Director)

3 Independent, Non Executive Directors

2 Non Independent, Non Executive Director

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

Meetings held

The Board met six times on the following dates during the financial year 2007-2008.

May 30, 2007	July 27, 2007
October 30, 2007	December 03, 2007
January 08, 2008	January 30, 2008

Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

Code of Conduct

The Company had adopted the Tata Code of Conduct for all the employees of the Company including the Whole-time Directors. The Board had also approved a Code of Conduct for Non-Executive Directors. The Code of Conduct for the employees as well as Non-Executive Directors are posted on the Company's website.

Further all the Board members and senior management personnel (as per Clause 49 of the listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

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Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2007-2008 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other public limited companies as on March 31, 2008 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2007-2008	Whether attended AGM held on July 27, 2007	Number of Directorships in other public limited companies*		No. of Committee positions held in other public limited companies*	
				Chairman of the Board	Board Member	Chairman of the Committee	Member
Mr. R. N. Tata (Chairman)	Promoter, Non-Executive	5	Yes	12	2	—	—
Mr. R. Gopalakrishnan (Vice-Chairman)	Promoter, Non-Executive	5	Yes	1	8	—	3
Mr. Nusli N. Wadia	Independent, Non-Executive	4	No	4	4	—	—
Dr. D. V. Kapur (Ceased to be a Director w.e.f. July 27, 2007)	-do-	2	Yes	—	—	—	—
Mr. P. R. Menon	Non-Independent, Non-executive	5	Yes	4	8	—	1
Dr. T. Mukherjee Non-Executive	Non -Independent,	5	Yes	—	1	—	—
Mr. Homi R. Khusrokhhan	Managing Director	6	Yes	—	1	—	—
Dr. Vijay L. Kelkar (Ceased to be a Director w.e.f. Dec. 31, 2007)	Independent, Non-Executive	4	Yes	—	—	—	—
Mr. Nasser Munjee	Independent, Non-Executive	6	Yes	1	13	3	6
Dr. Yoginder K. Alagh	Independent, Non-Executive	5	Yes	—	1	—	2

* Note: Excludes Directorships in Private Limited Companies, Foreign companies and Government Bodies. Only Audit Committee and Shareholders Grievance Committee have been considered for the committee positions.

Shareholdings of Non-executive directors as on March 31, 2008 are as under:

Name	No. of Ordinary shares held	% of Paid-up Capital
Mr. R. N. Tata (Chairman)	28695	0.013
Mr. R. Gopalakrishnan (Vice-Chairman)	15000	0.007

3. Audit Committee

Composition as at March 31, 2008

Mr. Nasser Munjee	Chairman
Mr. R. Gopalakrishnan	Member
Dr. Vijay L. Kelkar (Ceased to be a Member of the Committee w.e.f Dec. 31, 2007)	Member
Dr. Yoginder K. Alagh	Member

Mr. Nasser Munjee is an eminent Economist and Finance professional. Other members of the Committee have wide exposure in the relevant areas. The composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

Terms of Reference

The terms of reference of the Audit Committee, broadly are as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
3. Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
4. Reviewing the adequacy of internal control systems and internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
5. Discussing with internal auditors any significant findings and follow up there on.
6. 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.
7. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons, if any for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
9. In addition to the above, all items listed in Clause 49 (II) (D) of the Listing Agreement.

TATA CHEMICALS

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Tata Chemicals Limited

Meetings held:

During the financial year 2007-2008, seven Audit Committee meetings were held on the following dates:

April 27, 2007	May 26, 2007
July 26, 2007	August 27, 2007
October 29, 2007	January 29, 2008
February 13, 2008	

Attendance:

Name of Director	No. of Meetings Attended
Mr. Nasser Munjee - Chairman	7
Mr. R. Gopalakrishnan	4
Dr. Vijay L. Kelkar (ceased to be a Member of the Committee w.e.f 31.12.2007)	4
Dr. Yoginder K. Alagh	6

The Managing Director, the Executive VP & CFO, Executive VP - Chemicals, Executive VP - Cropnutrition & Agri Business, Chief Internal Auditor, VP - Finance and Controller are invited for all the meetings. Chief Operating Officers and Head – Human Resources are invited for the meetings as and when required. Representatives of the Statutory Auditors are also present at all the meetings.

Company Secretary acts as the Secretary to the Committee.

Mr. Nasser Munjee – Chairman of Audit Committee, Mr. R. Gopalakrishnan, Dr. Vijay L. Kelkar and Dr. Yoginder K. Alagh – Members of the Audit Committee were present at the last Annual General Meeting held on July 27, 2007.

4. Remuneration Committee

Composition as of March 31, 2008

Mr. Nusli N. Wadia	Chairman
Mr. R. N. Tata	Member
Mr. R. Gopalakrishnan	Member

Terms of Reference:

- To appraise the performance of Managing and Executive Director and
- To determine and recommend to the Board, compensation payable to Managing and Executive Director.

Meeting & Attendance

One meeting was held during the financial year 2007-2008 i.e. on May 30, 2007, and all the members attended this meeting.

Remuneration Policy:

Non-Executive Directors

The remuneration of the Non-Executive Directors (NEDs) of the Company is decided by the Board of Directors. The NEDs are paid remuneration by way of Commission and Sitting Fees. In terms of the approval of the members at the 64th Annual General Meeting of the Company held on December 15, 2003, commission is paid at a rate not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956. The distribution of the commission amongst the NEDs is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on operational matters other than at aforesaid meetings.

The Company did not have any pecuniary relationship or transactions with the Non Executive Directors during the financial year 2007-2008.

Sitting fees

During the year under review, the sitting fees payable to the Directors were revised in the following manner with effect from January 30, 2008:

Nature of Meeting	Existing (Rs.)	Revised (Rs.)
Board	10,000	20,000
Audit Committee	10,000	20,000
Shareholders/Investors' Grievance Committee	5,000	5,000
Committee of Directors	10,000	20,000
Remuneration Committee	10,000	20,000

Managing Director and Executive Director

The Company pays remuneration to its Managing Director and Executive Director by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Salary is paid within the overall limits approved by the members of the Company. The Board, on the recommendations of the Remuneration Committee, approves the annual increments (effective 1st April each year). Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee to the Board. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.

Details of remuneration paid to the Managing Director during the financial year 2007-2008

(Rupees)

Director	Salary	Perquisites and Allowance #	Commission (for the financial year 2006-2007) paid in 2007-2008
Mr. Homi R. Khusrokhani	36,00,000	42,21,554	80,00,000

Does not include contribution to Gratuity Fund, as separate figures are not available for the Managing Director .

Non-Executive Directors:

(Rupees)

Director	Sitting Fees	Commission (for the financial year 2006-2007) paid in 2007-2008
Mr. R.N. Tata	1,00,000	22,00,000
Mr. R. Gopalakrishnan	1,70,000	28,50,000
Mr. Nusli N. Wadia	70,000	5,70,000
Mr. R.C. Khanna	—	11,70,000
Mr. D.M. Ghia	—	3,40,000
Dr. D.V. Kapur (Ceased to be a Director w.e.f July 27, 2007)	20,000	5,60,000
Mr. Prasad R. Menon	1,00,000	8,40,000
Dr. T. Mukherjee	50,000	5,00,000
Dr. Vijay L. Kelkar (Ceased to be a Director w.e.f December 31, 2007)	90,000	14,80,000
Mr. Nasser Munjee	1,40,000	11,60,000
Dr. Yoginder K. Alagh	1,30,000	3,30,000

Commission payable to the Directors for the financial year 2007-08

Non Executive Directors : Rs.240.00 lacs
Mr. H. R. Khusrokhani : Rs.120.00 lacs

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

Tata Chemicals Limited**5. Shareholders'/Investors' Grievance Committee****Composition as of March 31, 2008**

Dr. Yoginder K. Alagh	Chairman
Mr. Homi R. Khusrokhani (Managing Director)	Member

Terms of Reference:

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

Meetings held and attendance:

During the financial year 2007-2008, two meetings were held on May 26, 2007 and December 03, 2007.

Attendance:

Name of Director	No. of Meetings Attended
Dr. Yoginder K. Alagh - Chairman	2
Mr. Homi R. Khusrokhani - Member	2

Compliance Officer

*Mr. Rajiv Chandan
Company Secretary & Head-Legal
Tata Chemicals Limited
Bombay House, 24 Homi Mody Street,
Fort, Mumbai 400 001*

Based on the report received from the Company's Registrars, the number of Complaints received from shareholders comprises of correspondence identified as complaints i.e. letter received through statutory/regulatory bodies and letter pertaining to fraudulent encashment.

Status of Investor Complaints as on March 31, 2008 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2007	:	Nil
Received during the year	:	23
Resolved during the year	:	23
Pending as on March 31, 2008	:	Nil

Investor Satisfaction Survey

A questionnaire to determine the satisfaction level of the investors and to explore avenues for improvement will be sent to all the members of the Company, along with the Annual Report for the year under review.

6. Committee of Directors

This Committee (non-mandatory) was constituted in the year 1998.

Composition as of March 31, 2008

Mr. R. N. Tata	Chairman
Mr. R. Gopalakrishnan	Member
Mr. Nusli N. Wadia	Member
Mr. Prasad R. Menon	Member
Dr. Vijay L. Kelkar	Member
(Ceased to be a member of the Committee w.e.f December 31, 2007)	
Mr. Homi R. Khusrokhani	Member

Terms of Reference:

- To periodically review the ongoing capital expenditure and the investments made by the Company
- To examine new proposals for investment from the stand point of their business and financial impact
- To formulate the future strategic direction and business development of the Company.

Meetings held:

September 04, 2007 December 10, 2007
January 31, 2008 March 27, 2008

Attendance:

Name of Director	No. of Meetings Attended
Mr. R. N. Tata	3
Mr. R Gopalakrishnan	4
Mr. Nusli N Wadia	1
Mr. Prasad R. Menon	3
Dr. Vijay Kelkar(ceased to be a member of the Committee w.e.f 31.12.2007)	1
Mr. Homi R. Khusrokhhan	4

7. Details on General Body Meetings:

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

Annual General Meeting:

Year	Location	Date	Day	Time	No. of Special Resolutions
2004-05	Birla Matushri Sabhagar, 19,Vithaldas Thackersey Marg, Mumbai 400 020	July 21, 2005	Thursday	3.00 p.m.	-
2005-06	Birla Matushri Sabhagar, 19,Vithaldas Thackersey Marg, Mumbai 400 020	July 17, 2006	Monday	3.30 p.m.	-
2006-07	Birla Matushri Sabhagar, 19,Vithaldas Thackersey Marg, Mumbai 400 020	July 27, 2007	Friday	3.00 p.m	1

Extra Ordinary General Meeting (EGM):

Type	Location	Date	Day	Time	No. of Special Resolutions
EGM	Birla Matushri Sabhagar, 19,Vithaldas Thackersey Marg, Mumbai 400 020	January 18, 2005	Tuesday	3.30p.m.	2

None of the resolutions was required to be put through postal ballot.

8. Disclosures**Related Party Transactions**

During the financial year 2007-2008 there were no materially significant transactions entered into between the Company and its promoters, directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect. As regard subsidiaries, the transactions are already reflected in the Consolidated Accounts.

TATA CHEMICALS

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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.

Non-Mandatory Requirements:

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

The status of compliance with Non-mandatory requirement is as under:

- The Company has adopted the guidelines for the composition of the Board of directors, which provide for the tenure and retirement age for the Non-Executive directors.
- The Company has setup a remuneration Committee pursuant to Clause 49 of the Listing Agreement. The broad terms of reference of the Committee are to appraise the performance of Managing/ Executive Directors, determine and recommend to the Board, compensation payable to Managing/ Executive Directors.
- The Company posts its results on its website at www.tatachemicals.com and this information is also available at www.sebidifar.nic.in. A half yearly declaration of financial performance including summary of significant events in last six-months has not been sent to each household of shareholders, as the quarterly results are published in widely circulated English newspaper.

9. Means of Communication:

- The quarterly results are published in the following Newspapers:
Indian Express (English)
Business Standard (English)
Loksatta (Marathi)
Sandesh (Gujrati)
- The financial results are displayed on www.tatachemicals.com
- Management Discussion and Analysis forms part of the Annual Report.
- The Company also regularly posts information relating to its financial results and shareholding pattern on Electronic Data Interpretation, Filing and Retrieval System (EDIFAR) at www.sebidifar.nic.in
- The official news releases, presentation made to the Shareholders at the Annual General Meeting and the presentation made to analysts are posted on the Company's website.

10. General Shareholder Information

Annual General Meeting

- Date and Time** : August 04, 2008 at 3.00 p.m.
- Venue** : Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai - 400 020
- Financial year** : April to March
- Book Closure Date** : July 22, 2008 to August 04, 2008
(both days inclusive - for the purpose of AGM and Dividend)
- Dividend payment date** : On or after August 5, 2008
- Listing on Stock Exchanges** : The Company's Ordinary Shares are listed on the following Stock Exchanges:

- (1) The Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
 - (2) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051
 - (3) The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata 700 001
- [The application for delisting of shares is still pending with the Calcutta Stock Exchange and the Company is vigorously following up in this matter.]

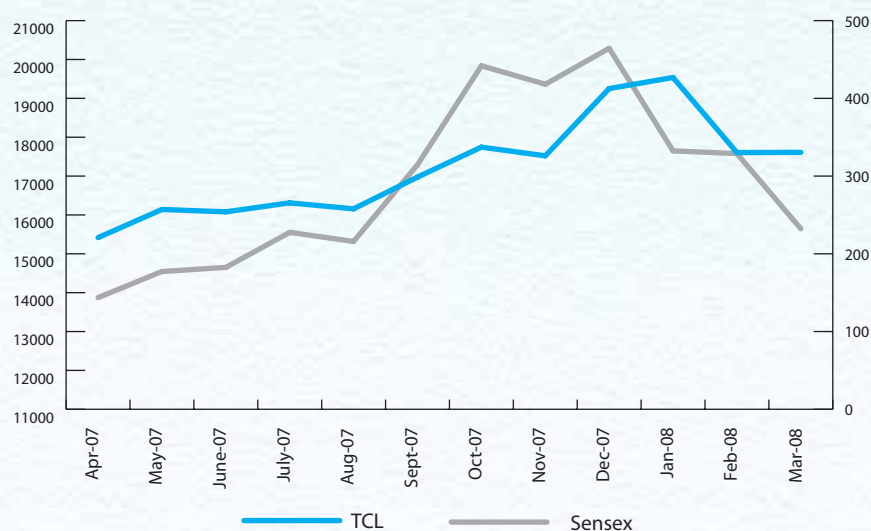
The Company has paid the Annual Listing fees, for the financial year 2007-08.

Stock Code:

The Bombay Stock Exchange Limited, (Physical Segment)	TATACHM770
The Bombay Stock Exchange Limited (Demat Segment)	TATACHM500770
The National Stock Exchange of India Limited	TATACHEM EQ
The Calcutta Stock Exchange Association Limited	TATACHEM30012
Demat ISIN in NSDL and CDSL for Equity Shares	INE092A01019

Market Price Data:

	Bombay Stock Exchange (in Rupees.)		National Stock Exchange (in Rupees.)	
High	Low	High	Low	
Apr- 2007	220.80	200.50	225.15	199.60
May-2007	257.05	220.80	265.05	220.00
Jun-2007	254.00	239.90	257.90	230.05
Jul-2007	265.55	240.80	275.00	239.00
Aug-2007	257.85	233.85	261.90	231.00
Sep-2007	298.70	250.00	300.00	247.55
Oct-2007	337.25	295.25	339.90	279.90
Nov-2007	326.05	298.05	336.00	290.00
Dec-2007	412.60	324.70	421.00	313.00
Jan-2008	426.85	286.05	430.90	227.20
Feb-2008	330.20	267.50	336.50	265.00
Mar-2008	330.55	259.75	338.00	256.60

TCL's Share Price Vs BSE Sensex

TATA CHEMICALS

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Tata Chemicals Limited**Registrar and Transfer Agents.****TSR Darashaw Limited**Unit: **TATA CHEMICALS LIMITED**

6-10 Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road

Mahalaxmi, Mumbai – 400 011

Tel. : 022 6656 84 84

Fax : 022 6656 84 94

E-mail : csg-unit@tsrdarashaw.comWebsite : www.tsrdarashaw.comBusiness Hours : 10.00 a.m. to 3.30 p.m.
(Monday to Friday)

For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches of TSR Darashaw Limited:

TSR Darashaw Limited

503, Barton Centre, 5th Floor

84, M. G. Road,

Bangalore - 560 001

Tel: 080 25320321

Fax: 080 25580019

E-mail: tsrdlbg@tsrdarashaw.com**TSR Darashaw Limited**

Tata Centre, 1st Floor,

43, Jawaharlal Nehru Road

Kolkata - 700 071

Tel: 033 22883087

Fax: 033 22883062

e-mail: tsrdlcl@tsrdarashaw.com**TSR Darashaw Limited**

Plot No. 2/42, Sant Vihar

Ansari Road, Daryaganj

New Delhi - 110 002

Tel: 011 23271805

Fax: 011 23271802

E-mail: tsrdldel@tsrdarashaw.com**TSR Darashaw Limited**

Bungalow No. 1, 'E' Road

Northern Town, Bistupur

Jamshedpur - 831 001

Tel: 0657 2426616

Fax: 0657 2426937

E-mail: tsrdljsr@tsrdarashaw.com**Share Transfer Process:**

Share in physical forms are processed by the Registrar and Share transfer agent within 15-20 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Chief Financial Officer and the Company Secretary have been severally empowered to approve transfers.

Distribution of Shareholding as on March 31, 2008

Category	No. of Shares	Percentage	No. of Shareholders	Percentage
1 - 500	2,16,68,214	9.26	1,81,551	88.94
501 - 1000	91,56,193	3.91	12,296	6.03
1001 - 2000	83,86,213	3.59	5,864	2.87
2001 - 3000	46,17,243	1.97	1,853	0.91
3001 - 4000	26,75,943	1.15	761	0.37
4001 - 5000	22,30,957	0.95	491	0.24
5001 - 10000	54,84,944	2.34	781	0.38
Greater than 10000	17,97,74,149	76.83	535	0.26
Total	23,39,93,856	100.00	2,04,132	100.00

Category of shareholding as on March 31, 2008

Category	No. of Shares	Percentage
Tata Companies & Trusts	6,82,07,257	29.15
Resident Individuals	5,54,63,655	23.70
Foreign Holdings	2,65,50,772	11.34
Public Financial Institutions	4,16,15,405	17.79
Government / Government Companies	76,048	00.03
Other Companies, Mutual Funds	4,16,31,951	17.80
Nationalised Banks	4,48,768	00.19
Total	23,39,93,856	100.00

Dematerialization of shares and liquidity:

Percentage of Shares held in

physical form	: 5.39
electronic form with NSDL	: 91.91
electronic form with CDSL	: 2.70

The Company's Ordinary shares are regularly traded on the Bombay Stock Exchange Limited and on The National Stock Exchange of India Limited.

Foreign Currency Convertible Bonds:

Brief terms of the Foreign Currency Convertible Bonds (FCCBs) issued in 2004-05 are as under:

Total Issue size	: US\$150 million
Face Value	: US\$ 1000 each
Initial Conversion price	: Rs. 231.375 per Ordinary Share
New Conversion price	: Rs. 230.78 per Ordinary Share
Conversion Period	: Between March 13, 2005 and January 22, 2010
Conversion during year 2007-08	: US\$ 99.87 million

The proceeds of FCCB were utilized partly in May 2005 for acquiring 1/3rd stake in the Indo Maroc Phosphore S.A (IMACID) and the balance for acquiring the shares of Brunner Mond Group Limited.

Plant Locations

Chemicals Division	: Mithapur 361 345, Okhamandal, Gujarat
Fertilizer Division	: Indira Dham, P. O. Box No. 1 Babrara 202 521, Dist. Badaun, Uttar Pradesh
Haldia Works	: P. O. Durgachak, Haldia, Dist. East Midnapore, West Bengal - 721 602

TATA CHEMICALS**Sixty-ninth annual report 2007-2008****Tata Chemicals Limited****Subsidiaries**

- Homefield International Pvt. Ltd.
IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius
- Homefield Pvt. UK Ltd.
18, Grosvenor Place, London, SW1X7HS
- Tata Chemicals Asia Pacific Pte. Ltd.
(Representative Office)
5 Shenton Way, # 09-03
UIC Building, Singapore - 068808
- Brunner Mond Group Limited
Mond House, Winnington, Northwich, Cheshire, CW84DT
Brunner Mond (UK) Limited
Brunner Mond Limited
The Magadi Soda Company Limited, Kenya
Brunner Mond (South Africa) Pty Limited
Northwich Resource Management Limited
Brunner Mond Generation Limited
Transcontinental Holdings Limited
Magadi Railway Company Limited
Brunner Mond B.V.
- Wyoming 1 (Mauritius) Pvt. Ltd.
IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius
- Wyoming 2 (Mauritius) Pvt. Ltd.
IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius
- Gusuite Holdings UK Ltd.
Mond House, Winnington, Northwich, Cheshire, CW84DT
- Valley Holdings, INC. Corporation Trust Center,
1209 Orange Street, Wilmington, Delaware 19801,
New Castle.
- General Chemical Industrial Products Inc.
120 Eagle Rock Avenue, East Hanover
N J - 07936
General Chemical International Inc.
NHO Canada Holdings Inc.
General Chemical (Soda Ash) Inc.
Bayberry Management Corporation
General Chemicals (Soda Ash) Partners LLC.
General Chemical (Great Britain) Limited
General Chemical Canada Holding Inc.

Joint Ventures

- : • Indo Maroc Phosphore S.A (IMACID)
Immeuble OCP, 2, rue Al Abtal – Hay Erraha,
Casablanca, Morocco.
- Lake Natron Resources Ltd.
National Development Corporation
Room No. 503, 5th Floor, Development House
Kivukoni Front/Ohio Street, P.O Box 2669
Dar-e-Salaam
- Khet-Se Agriproduce India Pvt. Ltd.
Jeevan Bharati Building
10th Floor, Connaught Place
New Delhi – 110 001

Address for correspondence

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

TATA CHEMICALS

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Tata Chemicals Limited**DECLARATION**

I Homi R. Khusrokhhan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the stock exchanges, for the year ended March 31, 2008.

For Tata Chemicals Limited

Mumbai
June 24, 2008

Homi R. Khusrokhhan
Managing Director

AUDITORS' CERTIFICATE**TO THE MEMBERS OF
TATA CHEMICALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Tata Chemicals Limited** ("the Company"), for the year ended March 31, 2008 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us 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 above mentioned Listing Agreement.

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 S.B.BILLIMORIA & CO.
Chartered Accountants

NALIN M. SHAH
Partner
Membership No. 15860
Mumbai, June 24, 2008.

For N.M.RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner
Membership No. 37924

Summarised Balance Sheet

	As at 31-Mar-08 Rs. in crores	As at 31-Mar-07 Rs. in crores
WHAT THE COMPANY OWNED:		
1. Fixed Assets		
Gross Block (Original cost including Capital Work-in -Progress)	3,460.82	3,326.57
Less: Depreciation and Impairment	1,948.24	1,811.83
Net Block	1,512.58	1,514.74
2. Investments	3,741.40	1,350.28
3. Net Current Assets	940.68	857.11
4. Miscellaneous Expenditure	0.53	3.70
5. Total	6,195.19	3,725.83
WHAT THE COMPANY OWED:		
1. Loans	2,345.28	1,041.77
2. Net Worth	3,571.68	2,392.84
Represented by		
(a) Share Capital Rs. 234.06 crores (Previous year Rs.215.16 crores)		
(b) Reserves Rs. 3,337.62 crores (Previous year Rs.2,177.68 crores)		
3. Deferred Tax Liability (net)	278.23	291.22
4. Total	6,195.19	3,725.83

Summarised Profit and Loss Account

	2007-08 Rs. in crores	2006-07 Rs. in crores
1. Income		
Sales and operating Income (net)	4,110.27	4,010.04
Other Income	566.57	97.75
Total	4,676.84	4,107.79
2. Expenditure		
Raw materials, stores, wages and other expenses	3,355.50	3,311.48
Employee separation compensation amortised	3.17	3.89
Depreciation	148.76	150.35
Borrowing costs (net)	12.31	8.23
Total	3,519.74	3,473.95
3. Profit before tax	1,157.10	633.84
4. Taxes	207.92	189.63
5. Profit after tax	949.18	444.21
6. Balance brought forward	967.07	769.19
7. Amount available for Appropriations	1,916.25	1,213.40
8. Appropriations		
(a) Proposed Dividend	211.25	172.08
(b) Tax on Dividends	35.90	29.25
(c) General Reserve	95.00	45.00
(d) Balance carried to Balance Sheet	1,574.10	967.07
Total	1,916.25	1,213.40

Tata Chemicals Limited**AUDITORS' REPORT****TO THE MEMBERS OF
TATA CHEMICALS LIMITED**

1. We have audited the attached Balance Sheet of **TATA CHEMICALS LIMITED ("the Company")** as at 31st March, 2008, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the directors as on 31st March, 2008 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For S. B. BILLIMORIA & CO.
Chartered Accountants

NALIN M. SHAH
Partner

Membership No. 15860
MUMBAI, 24th June, 2008

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Membership No. 37924

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities and financial position, sub clauses (xiii), (xviii) and (xix) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for verification of all the fixed assets at reasonable intervals. The discrepancies noticed on physical verification were not material and they have been properly dealt with in the books of account.
 - (c) The Company had not disposed off a substantial part of its fixed assets.
- (iii) In respect of its inventories:
 - (a) As explained to us, the stocks of raw materials, semi finished and finished goods have been physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. The discrepancies noticed have been properly dealt with in the books of account.
- (iv) In respect of the loans, secured and unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) During the year, the Company has granted unsecured loans aggregating Rs. 3.91 crores to a wholly-owned subsidiary. The balance as on 31st March, 2008 was Rs. 237.73 crores and maximum amount outstanding during the year was Rs. 439.22 crores.
 - (b) The rate of interest and other terms and conditions on which such loans have been granted, are in our opinion, *prima facie*, not prejudicial to the interests of the Company.
 - (c) The Company to whom loans have been granted, as referred to in (a) above, was regular in the payment of principal and interest as per agreed terms.
- (v) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vii) To the best of our knowledge and belief, and according to the information and explanations given to us, we are of the opinion that there are no contracts and arrangements, the particulars of which needed to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. In respect of unclaimed deposits matured in the earlier years, and outstanding during the year, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order on the Company under the aforesaid section has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

Tata Chemicals Limited

- (ix) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (x) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the Maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain products manufactured by the Company viz., Cement, Caustic Soda, Soda Ash, Ammonia, Urea, Diammonium Phosphate, Nitrogen Phosphorous Potash, Single Super Phosphate and Sodium Tripolyphosphate and are of the opinion that *prima facie* the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of records with a view to determining whether they are accurate and complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (xi) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, applicable to it, except for significant delays in respect of payment of certain tax deducted at source.
 - There were no undisputed amount outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable except income tax (tax deducted at source) amounting to Rs.2,324 which has been paid subsequently.
 - Details of Sales Tax, Income Tax, Customs Duty and Excise Duty which have not been deposited as at 31st March, 2008 on account of dispute are given below:

Particulars	Financial years to which the matter pertains	Forum where dispute is pending	Amount (Rs.in crores)
Sales Tax (Central and State) and Value Added Tax	1997-2001 1989-90, 1991-93, 1994-97, 1998-99, 1999-00, 2001-02	High Court Tribunal	7.48 12.95
	1994 – 2005	Appellate authority upto Commissioner's level	20.10
Custom Duty	1992-93	Supreme Court	3.96
	1987-88, 1992-93, 2001-02	Appellate authority upto Commissioner's level	0.19
Excise Duty	2001-04	Tribunal	0.96
	1978-79, 1982-85	Supreme Court	0.03
	1974-80, 1985-88, 2001-06	Tribunal	59.55
	1994-2000, 2005-07	Appellate authority upto Commissioner's level	47.81

- (xii) The Company does not have accumulated losses and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xiii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.
- (xiv) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments, except for mutual fund units, in which temporary surplus fund is invested. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The units of mutual funds have been held by the Company in its own name.
- (xvi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for the loans taken by others from financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xvii) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were *prima facie* applied by the Company during the year for the purposes for which they were obtained.
- (xviii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that no funds raised on short-term basis have *prima facie* been utilised during the year for long-term investment.
- (xix) The Company has not raised any money by way of a public issue during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For S. B. BILLIMORIA & CO.
Chartered Accountants

NALIN M. SHAH
Partner
Membership No. 15860

Mumbai, 24th June, 2008

For N. M. RAJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Tata Chemicals Limited
Balance Sheet as at 31st March, 2008

	Schedule	Page	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	60		234.06	215.16
(b) Reserves and Surplus	B	60		3,337.62	2,177.68
				3,571.68	2,392.84
2. LOAN FUNDS					
(a) Secured	C	61	47.97		60.63
(b) Unsecured	D	61	2,297.31		981.14
				2,345.28	1,041.77
3. DEFERRED TAX LIABILITY (net)				278.23	291.22
(Note 5, page 78)					
4. TOTAL				6,195.19	3,725.83
APPLICATION OF FUNDS					
5. FIXED ASSETS					
(a) Gross Block			3,291.44		3,219.35
(b) Less : Depreciation and Impairment ..			1,948.24		1,811.83
(c) Net Block	E	62	1,343.20		1,407.52
(d) Capital Work-in-Progress			169.38		107.22
				1,512.58	1,514.74
6. INVESTMENTS	F	63		3,741.40	1,350.28
7. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	G	69	657.64		506.48
(b) Sundry Debtors	H	69	639.50		668.55
(c) Cash and Bank Balances	I	69	277.63		94.48
(d) Loans and Advances	J	69	688.36		622.45
			2,263.13		1,891.96
Less :					
8. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	70	970.66		642.47
(b) Provisions	L	70	351.79		392.38
			1,322.45		1,034.85
9. NET CURRENT ASSETS (7-8)				940.68	857.11
10. MISCELLANEOUS EXPENDITURE	M	70		0.53	3.70
11. TOTAL				6,195.19	3,725.83
12. Notes on the Balance Sheet and Profit and Loss Account	N	71			

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants,

NALIN M. SHAH
Partner.

For N. M. RAJI & CO.
Chartered Accountants,

J. M. GANDHI
Partner.

Mumbai, 24th June, 2008.

R. N. TATA
R. GOPALAKRISHNAN
H. R. KHUSROKHAN
P. K. GHOSE
RAJIV CHANDAN

For and on behalf of the Board
Chairman
Vice-Chairman
Managing Director

Executive VP & CFO
Company Secretary & Head Legal

Mumbai, 24th June, 2008

Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Page	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
INCOME					
1. Sales	1(1)	56	4,207.13		4,107.08
Less : Excise Duty			170.82		161.44
Net Sales				4,036.31	3,945.64
2. Operating Income	1 (2)	56		39.32	39.39
3. Other Income	2	56		566.57	97.75
4. Foreign exchange gain on borrowings				34.64	25.01
5. TOTAL INCOME				4,676.84	4,107.79
EXPENDITURE					
6. Manufacturing and Other Expenses	3	57	3,355.50		3,311.48
7. Employee Separation Compensation Amortised			3.17		3.89
8. Borrowing Costs (net)	4	58	12.31		8.23
			3,370.98		3,323.60
9. Depreciation			148.76		150.35
10. TOTAL EXPENDITURE				3,519.74	3,473.95
PROFIT BEFORE TAX				1,157.10	633.84
11. PROVISION FOR TAX					
(a) Current			217.61		210.76
(b) Deferred			(12.99)		(26.18)
(c) Fringe Benefit Tax			3.30		5.05
				207.92	189.63
PROFIT AFTER TAX				949.18	444.21
12. BALANCE BROUGHT FORWARD				967.07	769.19
13. AMOUNT AVAILABLE FOR APPROPRIATIONS				1,916.25	1,213.40
14. APPROPRIATIONS :					
(a) Proposed Dividend				211.25	172.08
(b) Tax on Dividend				35.90	29.25
(c) General Reserve				95.00	45.00
(d) Balance carried to Balance Sheet				1,574.10	967.07
				1,916.25	1,213.40
15. EARNINGS PER SHARE (Rupees)					
(Note 3, Page 75)					
(Face value per share - Rs.10)					
(a) Basic				42.82	20.65
(b) Diluted				37.89	18.31
16. Notes on the Balance Sheet and Profit and Loss Account	N	71			

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants,

NALIN M. SHAH
Partner.

Mumbai, 24th June, 2008.

For N. M. RAJI & CO.
Chartered Accountants,

J. M. GANDHI
Partner.

R. N. TATA
R. GOPALAKRISHNAN
H. R. KHUSROKHAN

P. K. GHOSE
RAJIV CHANDAN

For and on behalf of the Board
Chairman
Vice-Chairman
Managing Director

Executive VP & CFO
Company Secretary & Head Legal

Mumbai, 24th June, 2008

Tata Chemicals Limited
Cash Flow Statement for the year ended 31st March, 2008

	Rupees in crores 2007-08	Rupees in crores 2006-07
A Cash Flow from Operating Activities		
Net Profit before Tax	1,157.10	633.84
Adjustments for :		
Foreign Exchange (Gain) / Loss on borrowings	(35.69)	(25.01)
Employee Separation Compensation amortisation	3.40	3.89
Depreciation	148.76	150.35
Borrowing Costs (net)	12.31	8.23
Profit on sale of investments	(478.01)	(3.21)
Investment income	(88.56)	(91.95)
Provision for doubtful debts and advances	0.09	(3.76)
Provision for employee benefits	7.83	26.38
Reduction in carrying cost of current investments	-	0.89
Loss on assets sold or discarded	3.23	4.66
Operating Profit before Working Capital Changes	730.46	704.31
Adjustments for :		
Trade and other receivables	(196.42)	(62.92)
Inventories	(151.16)	54.34
Trade payables, other liabilities and provisions	338.77	174.77
Payment towards employee separation compensation	(1.19)	(1.28)
Cash Generated from Operations	720.46	869.22
Taxes paid	(241.65)	(192.19)
Net Cash from Operating Activities	478.81	677.03
B Cash Flow from Investing Activities		
Acquisition of fixed assets	(150.26)	(119.64)
Proceeds on sale of fixed assets	0.42	0.86
Proceeds on sale of current investments	13,883.73	2,760.61
Purchase of current investments #	(13,490.67)	(2,988.50)
Purchase of other investments	(73.23)	(2.71)
Proceeds on sale of other investments	517.38	5.14
Investment in subsidiary	(2,745.30)	-
Investment in Joint Venture	(5.00)	-
Repayment of loan by subsidiary	167.40	229.10
Interest received	13.54	8.63
Dividend received	85.01	90.58
Net Cash used in Investing Activities	(1,796.98)	(15.93)

Cash Flow Statement for the year ended 31st March, 2008 (Contd.)

	Rupees in crores 2007-08	Rupees in crores 2006-07
C Cash Flow from Financing Activities		
Repayment of borrowings	(258.42)	(399.03)
Proceeds of borrowings	2,006.05	3.42
Interest paid	(42.21)	(45.50)
Foreign exchange loss realised	(5.17)	-
Dividends paid including distribution tax	(200.96)	(171.57)
Net Cash used in Financing Activities	1,499.29	(612.68)
Net Increase/ (Decrease) in Cash and Cash equivalents	181.12	48.42
Cash and Cash equivalents as at 1st April	94.48	46.06
(Opening Balance)		
Exchange difference on translation of foreign currency cash and cash equivalent	2.03	-
Cash and Cash equivalents as at 31st March	277.63	94.48
(Closing Balance)		

Note : During the current year Foreign Currency Convertible Bonds of Rs.395.18 crores were converted into shares. Accordingly shares of face value of Rs. 18.90 crores were issued at a premium of Rs.376.28 crores.
includes Rs. 308.45 crores received against subsidy receivable.

As per our report attached		For and on behalf of the Board	
For S. B. BILLIMORIA & CO.	For N. M. RAIJI & CO.	R. N. TATA	Chairman
Chartered Accountants,	Chartered Accountants,	R. GOPALAKRISHNAN	Vice-Chairman
		H. R. KHUSROKHAN	Managing Director
NALIN M. SHAH	J. M. GANDHI	P. K. GHOSE	Executive VP & CFO
Partner.	Partner.	RAJIV CHANDAN	Company Secretary & Head Legal
Mumbai, 24th June, 2008.			Mumbai, 24th June, 2008

Tata Chemicals Limited
Schedules forming part of the Profit and Loss Account
Schedule 1 : Sales and Operating Income
1. Sales and services:

(Item No.1, page 53)

(a) Sales	4,201.17	4,097.66
(Note 26, page 88)		
(b) Processing charges	5.96	9.42
(Tax deducted at source Rs.0.14 crore ; previous year Rs.0.18 crore)	4,207.13	4,107.08

2. Operating income:

(Item No.2, page 53)

(a) Town income	1.44	1.49
(Tax deducted at source Rs 0.01 crore ; previous year Rs. 0.01 crore)		
(b) Liabilities no longer required - written back	18.24	16.94
(c) Insurance claims	4.81	4.87
(d) Miscellaneous income	14.83	16.09
(Tax deducted at source Rs.0.09 crore ; previous year Rs.0.08 crore)	39.32	39.39

Schedule 2 : Other Income

(Item No.3, page 53)

1. Income from Long Term Trade Investments (Gross):

(a) Dividend income	37.62	64.60
(b) Profit on sale of investments	487.47	2.42

525.09 67.02

2. Income from Current Investments :

(a) Dividend income	47.39	25.98
(b) Interest Income	3.55	1.37
(Tax deducted at source Rs.Nil ; previous year Rs.Nil)		
(c) Profit / (Loss) on Sale of Investments	(9.46)	0.79
(d) Changes in carrying amount of current investments	-	(0.89)

41.48 27.25

3. Interest on Refund of Taxes
- 3.48

566.57 97.75

Schedules forming part of the Profit and Loss Account (Contd.)

Schedule 3 : Manufacturing and Other Expenses

[Item No.6, page 53]

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1. Raw materials consumed:			
(a) Stock on 1 April, 2007	196.80		241.60
(b) Add : Purchases and cost of materials	1,766.41		1,564.45
	<u>1,963.21</u>		<u>1,806.05</u>
(c) Less : Stock on 31 March, 2008	313.44		196.80
		<u>1,649.77</u>	<u>1,609.25</u>
2. Cost of traded goods purchased		304.35	390.50
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	132.53		113.61
(b) Contribution to Provident and other Funds	13.26		17.71
(c) Contribution to group insurance scheme	0.04		0.03
(d) Workmen and staff welfare expenditure	23.90		17.63
		<u>169.73</u>	<u>148.98</u>
4. Operation and other expenses:			
(a) Stores and spare parts consumed	54.03		62.60
(b) Packing materials consumed	123.36		118.11
(c) Power and fuel	479.66		392.24
(d) Repairs - Buildings	3.90		3.09
- Machinery	38.74		36.39
- Others	0.98		0.98
(e) Rent	21.73		16.80
(f) Royalty, rates and taxes	11.93		8.93
(g) Excise duty adjustment for stocks	(0.37)		(1.03)
(h) Commission, discount and distributors' service charges	50.55		51.10
(i) Sales promotion expenses	46.86		36.72
(j) Insurance charges	10.11		11.51
(k) Freight and forwarding charges	274.80		274.26
(l) Lease rent	3.02		3.01
(m) Loss on assets sold or discarded (net)	3.23		4.66
(n) Doubtful debts and advances - written off / (back)	0.09		(3.76)
(o) Other expenses	131.20		136.52
	<u>1,253.82</u>		<u>1,152.13</u>
Less: Expenditure transferred to capital account	0.14		0.09
		<u>1,253.68</u>	<u>1,152.04</u>
5. Directors' fees / commission		3.68	2.54
		<u>3,381.21</u>	<u>3,303.31</u>
6. Change in inventory of semi finished and finished products and work-in-process:			
(a) Stock on 1 April, 2007	226.74		234.91
(b) Less : Stock on 31 March, 2008	252.45		226.74
		<u>(25.71)</u>	<u>8.17</u>
		<u><u>3,355.50</u></u>	<u><u>3,311.48</u></u>

Tata Chemicals Limited
Schedules forming part of the Profit and Loss Account (Contd.)
Schedule 4 : Borrowing Costs (net)

[Item No.8, page 53]

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1 Interest paid on:			
(a) Debentures and fixed loans	8.24		12.80
(b) Other loans	12.34		29.93
(c) Others	0.60		-
		21.18	42.73
2 Discounting charges		16.84	1.88
3 Interest received on:			
(Tax deducted at source Rs. 0.02 crore; previous year Rs.Nil)			
(a) Inter-corporate loans and bank deposits	1.67		0.01
(b) Loans to Subsidiary	23.48		35.49
(c) Other Advances	0.56		0.88
		25.71	36.38
Net Borrowing Costs (1 + 2 - 3)		12.31	8.23

Schedule 5 :
Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for remuneration to Directors

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
1. Profit as per Profit and Loss Account (before taxes)		1,157.10	633.84
Add / (Less) :			
2. Directors' remuneration, commission and fees	4.52		3.65
3. Provision for doubtful debts and advances	0.09		(3.76)
4. Profit on sale of investments (net)	(478.01)		(3.21)
5. Provision for diminution in the carrying value of current investments	-		0.89
		(473.40)	(2.43)
6. Net Profit in accordance with Section 349 of the Companies Act, 1956		683.70	631.41
7. Maximum amount permissible for the Managing Director under Section 309 of the Companies Act, 1956		34.18	47.37
8. Commission to the Managing Director		1.20	1.25
9. Commission to non Whole-time Directors (maximum permissible 1%)		6.84	6.14
10. Commission to non Whole-time Directors		2.40	1.20

Schedules forming part of the Profit and Loss Account (Contd.)

Notes on the Profit and Loss Account

1. Item 4(o) of Schedule 3

Other expenditure Rs. 131.20 crores (previous year Rs. 136.52 crores) includes :

	Rupees in crores	Rupees in crores	Previous Year Rupees in crores
(a) Exchange (gain)/loss on foreign currency transactions (net)		(1.05)	17.05
(b) Auditors' Remuneration			
(i) For Services as Auditors [includes Rs.0.03 crore to Cost Auditors (previous year Rs.0.05 crore)]	0.77		0.62
(ii) For tax matters - Tax Audit	0.18		0.15
(iii) For other services	0.94		0.51
(iv) Reimbursement of travelling and out-of-pocket expenses	0.02		0.04
(v) Service Tax	0.23		0.15
		2.14	1.47
(c) Donations		2.38	1.30

2. Items 3,4 and 5 of Schedule 3

Payments to and provisions for employees, operation and other expenses and Directors' fees / commission includes remuneration to the Managing Director

(a) Remuneration (including Company's contribution to provident fund and superannuation fund)	0.61	0.81
(b) Commission (for computation see Schedule 5, page 58)	1.20	1.25
(c) Estimated value of benefits in cash or in kind	0.23	0.30
	2.04	2.36

Note :

The above figures do not include provision for compensated absences and contribution to gratuity fund as separate figures are not available for the Managing Director.

Tata Chemicals Limited
Schedules forming part of the Balance Sheet

		As at 31-Mar-07 Rupees in crores	
		Rupees in crores	
Schedule A : Share Capital			
[Item No.1(a), page 52]			
1.	Authorised: 27,00,00,000 Ordinary Shares of Rs.10 each (previous year 27,00,00,000 Ordinary Shares of Rs.10 each)	270.00	270.00
		270.00	270.00
2.	Issued: 23,40,80,176 Ordinary Shares of Rs.10 each (31 March, 07 21,51,88,971 Ordinary Shares of Rs.10 each)	234.08	215.18
		234.08	215.18
3.	Subscribed: 23,39,93,856 Ordinary Shares of Rs.10 each (31 March, 07 21,51,02,651 Ordinary Shares of Rs.10 each) Of the above Shares : (i) 37,000 Ordinary Shares of Rs.10 each were allotted as fully paid-up pursuant to a contract without payment being received in cash. (ii) 10,54,02,144 Ordinary Shares of Rs.10 each were issued as fully paid-up Bonus Shares by capitalisation of Rs.92.97 crores from Securities Premium Account and Rs. 12.43 crores from General Reserve. (iii) 42,49,864 Ordinary Shares of Rs.10 each allotted as fully paid-up to the Shareholders of Tata Fertilisers Ltd., pursuant to the Scheme of Amalgamation. (iv) 3,44,64,000 Ordinary Shares of Rs. 10 each issued as fully paid-up to the Shareholders of Hind Lever Chemicals Limited as per the Scheme of Amalgamation.	234.00	215.10
4.	Forfeited Shares: Amount paid-up on 86,320 shares	0.06	0.06
		234.06	215.16
Schedule B : Reserves and Surplus			
[Item No.1(b), page 52]			
1.	Capital reserve: Balance as per last account	0.66	0.66
2.	Capital redemption reserve: Balance as per last account	0.10	0.10
3.	Surplus on amalgamation: Balance as per last account	20.75	20.75
4.	Securities premium: (a) Balance as per last account Add : (b) Premium on conversion of FCCBs (Note 9(b), page 82) (c) Reversal of provision of redemption premium on conversion of FCCBs (d) Revaluation of redemption premium on outstanding FCCBs (Note 9(c), page 82)	181.89 376.29 90.72 3.51	178.32 - - 3.57
		652.41	181.89
5.	Foreign currency translation reserve: (a) Balance as per last account (b) Add : Net adjustment during the year	(19.07) (12.61)	(8.69) (10.38)
		(31.68)	(19.07)
6.	General reserve: (a) Balance as per last account (b) Less : Employee benefits (c) Add : Transferred from Profit and Loss Account	780.82 - 95.00	746.75 (10.93) 45.00
		875.82	780.82
7.	Debenture redemption reserve: Balance as per last account	245.46	245.46
8.	Balance in Profit and Loss Account	1,574.10	967.07
		3,337.62	2,177.68

Schedules forming part of the Balance Sheet (Contd.)

Schedule C : Loans Funds - Secured

[Item No.2(a), page 52]

	Rupees in crores	As at 31-Mar-07 Rupees in crores
Loans :		
1 From Banks : Cash Credits	27.70	27.30
2 From Financial Institution : Term Loan	20.27	33.33
	47.97	60.63

Notes :

- (a) Loans from Banks on Cash Credit Accounts under item 1 are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.
- (b) Item 2 represents interest - free loan under Sales Tax Deferment Scheme from Pradeshiya Industrial and Investment Corporation of Uttar Pradesh, which is secured by second charge on the Company's properties at Babrala. Amount repayable within one year Rs.12.75 crores (31 March, 07 Rs. 12.70 crores)

Schedule D : Loans Funds - Unsecured

[Item No.2(b), page 52]

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
Short-term loans and advances :			
(a) From Banks :			
Buyer's credits (Repayable within one year)		89.96	328.94
Other loans and advances :			
(Repayable within one year Rs. Nil, 31 March, 07 Rs. Nil)			
(a) From Banks :			
External Commercial Borrowing		1,905.93	-
(b) From others :			
Foreign Currency Convertible Bonds - FCCBs (Note 9 (a), page 81)	201.11		652.20
6.44% Senior Notes due in 2017	100.31		-
		301.42	652.20
		2,297.31	981.14

Tata Chemicals Limited
Schedules forming part of the Balance Sheet (Contd.)
Schedule E : Fixed Assets

[Item No.5, page 52]

Rupees in crores

Fixed Assets (At Cost)	Gross Block as at 1-Apr-07	Additions / Adjustments	Deductions / Adjustments	Gross Block as at 31-Mar-08	Depreciation/ amortisation for the year	Total Depreciation 31-Mar-08	Impairment	Net Block as at 31-Mar-08
1. Land :								
(a) Freehold	8.24	5.08	-	13.32	-	-	0.16	13.16
	8.04	0.48	0.28	8.24	-	-	0.16	8.08
(b) Leasehold	15.02	-	-	15.02	0.16	2.96	-	12.06
	15.02	-	-	15.02	0.17	2.80	-	12.22
2. Works :								
(a) Saltworks, Reservoirs and Pans	35.12	2.93	-	38.05	3.65	31.36	-	6.69
	32.95	4.66	2.49	35.12	6.17	27.72	-	7.40
(b) Plant and Machinery	2,679.45	63.94	9.09	2,734.30	127.50	1,632.27	96.36	1,005.67
	2,624.12	66.65	11.32	2,679.45	126.45	1,511.80	96.36	1,071.29
(c) Traction Lines and Railway Sidings	21.91	-	-	21.91	0.83	15.67	0.28	5.96
	21.91	-	-	21.91	0.84	14.83	0.28	6.80
(d) Buildings	212.71	1.56	0.26	214.01	6.62	71.39	8.85	133.77
	196.63	16.82	0.74	212.71	6.53	64.97	8.85	138.89
3. Other Buildings #	167.13	6.54	0.99	172.68	2.89	35.81	-	136.87
	165.26	1.87	-	167.13	2.81	33.31	-	133.82
4. Water Works	7.83	-	-	7.83	0.12	6.79	-	1.04
	8.31	-	0.48	7.83	0.13	6.67	-	1.16
5. Furniture, Fitting and Office Equipment	53.37	6.53	3.04	56.86	5.04	33.23	0.10	23.53
	47.91	6.73	1.27	53.37	4.26	30.75	0.10	22.52
6. Vehicles	18.57	1.51	2.62	17.46	1.95	12.90	0.11	4.45
	22.07	1.98	5.48	18.57	2.99	13.12	0.11	5.34
Total	3,219.35	88.09	16.00	3,291.44	148.76	1,842.38	105.86	1,343.20
	3,142.22	99.19	22.06	3,219.35	150.35	1,705.97	105.86	1,407.52

NOTES : 1. Depreciation provided upto 31 March, 2007
Less : Adjustment in respect of assets sold or discarded

Add : Provision for the year

2. #Includes cost of residential flats aggregating to Rs.1.87 Crores for which legal formalities relating to transfer of title are pending.

3. The figures in light print are for Previous Year.

Current Year	Previous Year
1,705.97	1,572.16
12.35	16.54
1,693.62	1,555.62
148.76	150.35
1,842.38	1,705.97

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments (Item No.6, page 52)		Face Value Rupees	Holdings As at 31-Mar-08	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-07	Rupees in crores
A LONG TERM INVESTMENTS							
Trade Investments :							
1. Fully paid Ordinary/Equity Shares (Quoted):							
The Indian Hotels Co. Ltd.	1	60,09,640		0.99		60,09,640	0.99
Madras Fertilisers Limited	10	3,30,000		0.49		3,30,000	0.49
Oriental Hotels Limited	10	4,32,328		4.79		4,32,328	4.79
Rallis India Limited	10	11,26,518		19.06		11,26,518	19.06
Tata Consultancy Services Ltd.	1	50,000		*		23,07,550	0.14
(22,57,550 shares sold during the year)							
Tata Investment Corporation Limited	10	2,97,400		0.58		52,97,400	10.34
(50,00,000 shares sold during the year)							
Tata Steel Limited	10	37,62,262		69.85		31,09,302	50.26
(6,52,960 Rights shares allotted during the year)							
Tata Motors Limited	10	6,03,207		11.47		6,03,207	11.47
Tata Tea Limited	10	43,17,514		16.09		43,17,514	16.09
Titan Industries Ltd.	10	15,02,109		22.39		15,02,109	22.39
					145.71		136.02
2. Investment in Subsidiary Companies: Fully paid Ordinary/Equity Shares (Unquoted):							
Homefield International Pvt Ltd.	MRU 1	9,00,16,001		408.76		9,00,16,001	408.76
Wyoming 1 (Mauritius) Pvt. Ltd.	USD 1	67,50,00,000		2,745.30		-	-
(675,000,000 shares subscribed during the year)							
Tata Chemicals Asia Pacific Pte. Ltd. ...	SGD 1	2		*		-	-
					3,154.06		408.76
3. Investment in Joint Venture: Fully paid Ordinary/Equity Shares (Unquoted):							
Khet-Se Agriproduce India Private Ltd.	1	5,00,00,000		5.00		-	-
(5,00,00,000 shares subscribed during the year)							
Indo Maroc Phosphore, S.A., Morocco ...	MAD 1,000	2,06,666		166.26		2,06,666	166.26
Lake Natron Resources Limited	TZS 1,000	500		*		500	*
					171.26		166.26
4. Fully paid Ordinary/Equity Shares (Unquoted) in Others:							
The Associated Building Co. Limited ..	900	550		0.02		550	0.02
Taj Air limited	10	40,00,000		4.00		40,00,000	4.00
Tata Industries Limited	100	65,74,202		79.79		65,74,202	79.79
Tata International Limited	1,000	24,000		3.34		24,000	3.35
Tata Projects Limited	100	32,250		0.38		32,250	0.38
Tata Services Limited	1,000	1,260		0.13		1,260	0.13
Tata Sons Limited	1,000	10,237		56.86		10,237	56.86
Tata Teleservices Limited #	10	26,13,561		2.93		25,13,039	2.66
(1,00,522 Rights shares allotted during the year)					147.45		147.19

Tata Chemicals Limited
Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments (Item No.6, page 52)	Face Value Rupees	Holdings As at 31-Mar-08	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-07	Rupees in crores
5. Fully paid Cumulative Redeemable Preference Shares (Unquoted) in Others:						
7.5% Rallis India Limited (40,00,000 shares purchased during the year)	10	2,90,00,000	29.00		2,50,00,000	25.00
6% Tata Sons Limited (redeemed during the year)		-	-		2,00,000	20.00
7% Tata Sons Limited (purchased during the year)	1,000	2,00,000	20.00		-	-
				49.00		45.00
6. Fully paid Preference Shares (Quoted) in Others:						
Tata Steel Ltd. (Cumulative Compulsorily Convertible Preference Shares)		29,38,290		29.38	-	-
(29,38,290 Rights shares allotted during the year)						
LONG TERM INVESTMENTS				3,696.86		903.23
Less: Provision for Diminution in value of investments				0.25		0.25
LONG TERM INVESTMENTS (net)				3,696.61		902.98
B CURRENT INVESTMENTS						
1. Quoted Equity Shares, Fully Paid :						
Compuage Infocom Ltd.	10	9,756		*	9,756	*
2. Unquoted Equity Shares, Fully Paid :						
IFCI Venture Capital Funds Limited	10	2,50,000	0.25		2,50,000	0.25
Kowa Spinning Limited	10	60,000	*		60,000	*
				0.25		0.25
3. Quoted Bonds/units :						
Sardar Sarovar Narmada Nigam Bonds (74 Bonds purchased during the year)	3600	74		0.40	-	-
Unit Trust of India						
6.75% Tax free US 64 bonds	100	9,04,705	9.09		9,04,705	9.09
6.6% Tax free - UTI Bonds	100	13,90,000	14.46		13,90,000	14.46
				23.55		23.55
4. Unquoted units:						
In Unit Trust of India						
- Mastershares	10	96,100	0.09		96,100	0.09
UTI Balanced Fund	10	35,806	0.03		35,806	0.03
				0.12		0.12
5. In units of Mutual Funds (Unquoted) :						
Birla FTP - Quarterly Series 8 - Dividend (2,00,00,000 units sold during the year)	10	-	-		2,00,00,000	20.00
Birla SunLife Cash Manager - I P - Daily Dividend Reinvestment	10	-	-		2,00,01,123	20.01
(61,635 units purchased and 2,00,62,758 units sold during the year)						
DWS FTF - Series 27 - Dividend	10	-	-		2,50,00,000	25.00
(2,50,00,000 units sold during the year)						

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments (Item No.6, page 52)	Face Value Rupees	Holdings As at 31-Mar-08	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-07	Rupees in crores
HDFC MIP Long Term Plan - Growth .. (11,10,224 units sold during the year)	10	-	-		11,10,224	1.50
HDFC Cash Management Fund - Savings Plus - Dividend	10	-	-		169,37,201	18.02
(7,5165,928 units purchased and 9,21,03,129 units sold during the year)						
HSBC Equity Fund (Dividend)	10	-	-		41,431	0.12
(41,431 units sold during the year)						
HSBC India Opportunities Fund - Growth (16,723 units sold during the year)	10	-	-		16,723	0.02
HSBC India Opportunities Fund - Dividend (5,84,017 units sold during the year)	10	-	-		5,84,017	0.95
HSBC Liquid Plus Fund - IP Plus - Daily Dividend	10	-	-		2,07,75,879	20.78
(78,038 units purchased and 2,08,53,917 units sold during the year)						
ICICI Prudential FMP - S 39 - 16 Weeks - Plan A Retail Dividend Payout	10	1,00,00,000	10.00		-	-
(1,00,00,000 units purchased during the year)						
ICICI Prudential FMP - Series 35 - 3 months - Plan D - Dividend	10	-	-		3,00,00,000	30.00
(3,00,00,000 units sold during the year)						
ICICI Prudential Liquid - Super IP - Daily Dividend	10	-	-		1,00,06,107	10.00
(24,62,15,599 units purchased and 25,62,21,706 units sold during the year)						
JM High Liquidity - Bonus	10	-	-		31,12,993	3.19
(3,112,993 units sold during the year)						
JM Money Manager Fund - Super Plus Plan - Daily Dividend	10	-	-		3,06,48,723	30.65
(11,29,76,727 units purchased and 14,36,25,450 units sold during the year)						
Kotak Equity FOF (Dividend)	10	-	-		4,49,643	0.65
(4,49,643 units sold during the year)						
Kotak Equity FOF (Growth)	10	-	-		19,480	0.02
(19,480 units sold during the year)						
Kotak FMP - 6 month Series 2 - Dividend (1,35,773 units purchased and 2,06,34,159 units sold during the year)	10	-	-		2,04,98,386	20.50
Principal Cash Management (Liquid) Institutional Premium (Daily Dividend)	10	-	-		50,02,045	5.00
(6,00,12,025 units purchased and 6,50,14,070 units sold during the year)						
Reliance Liquidity Fund - Daily Dividend (6,52,39,742 units purchased and 10,17,18,637 units sold during the year)	10	-	-		3,64,78,895	36.49
SCFMP - QS 7 - Dividend	10	-	-		1,81,04,040	18.10
(2,85,320 units purchased and 1,83,89,360 units sold during the year)						
Sundram BNP Paribas FTP - Series XVI - (90 days) Dividend	10	-	-		2,00,76,976	20.08
(3,60,101 units purchased and 2,04,37,077 units sold during the year)						

Tata Chemicals Limited
Schedules forming part of the Balance Sheet (Contd.)
Schedule F : Investments
 (Item No.6, page 52)

	Face Value Rupees	Holdings As at 31-Mar-08	Rupees in crores	Rupees in crores	Holdings As at 31-Mar-07	Rupees in crores
Tata Liquid Fund - SHIP - Daily Dividend (52,59,980 units purchased and 56,63,948 units sold during the year)	1,000	44,871	5.00		448,839	50.02
Tata FIP Fund - Series C2 - IP - Monthly Div. (30,58,114 units purchased during the year)	10	30,58,114	3.07		-	-
Tata FHF Series 9 - Plan D - IP - Dividend (2,87,625 units purchased and 2,04,16,548 units sold during the year)	10	-	-		2,01,28,923	20.13
Tata FHF Series 9 - Plan E - IP - Dividend (3,69,285 units purchased and 2,04,56,034 units sold during the year)	10	-	-		2,00,86,749	20.09
Templeton (Franklin India Flexi Cap Fund) - Dividend	10	-	-		8,12,849	1.41
(8,12,849 units sold during the year)						
Templeton India Bluechip - Dividend Payout	10	3,01,917	1.10		16,655	0.04
(3,01,917 units purchased and 16,655 units sold during the year)						
Templeton India Bluechip - Dividend (9,34,086 units purchased and 12,49,798 units sold during the year)	10	3,56,155	1.30		6,71,867	2.38
Templeton (FT India - Plan A) Monthly Dividend	10	-	-		1,12,92,703	13.03
(2,25,54,175 units purchased and 3,38,46,878 units sold during the year)						
Templeton India TMA - Super IP - Weekly Dividend	1,000	-	-		50,243	5.11
(8,74,295 units purchased and 9,24,538 units sold during the year)						
UTI Liquid Cash Plan IP - Daily Dividend (60,34,876 units purchased and 61,62,454 units sold during the year)	1,000	-	-		1,27,578	13.01
UTI FMP - March 07 - QS1 - Dividend (2,96,696 units purchased and 1,73,74,448 units sold during the year)	10	-	-		1,70,77,752	17.08
				20.47		423.38
CURRENT INVESTMENTS				44.79		447.30
TOTAL INVESTMENTS				3,741.40		1,350.28

Aggregate of Quoted Investments
Aggregate of Unquoted Investments

* value below Rs.50,000/-

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

Book Value Rupees in crores	Market Value Rupees in crores	Book Value Rupees in crores	Market Value Rupees in crores
198.79	1,006.16	159.32	1,190.98
3,542.61		1,190.96	

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments

(Item No.6, page 52)

	Face Value Rupees	Number of Units	Face Value Rupees in crore	Purchase cost Rupees in crore
Following Investments were acquired and sold during the year				
ABN AMRO Cash Fund - Insti Plus Plan - Daily Dividend	10	5,20,09,058	52.01	52.00
ABN AMRO Flexible Short Term Plan - Series A - Qtly Dividend	10	1,00,00,000	10.00	10.00
ABN AMRO Flexible Short Term Plan - Series A - Qtly Dividend	10	1,00,00,000	10.00	10.00
ABN AMRO Flexible Short Term Plan - Series B - Qtly Dividend	10	2,07,13,862	20.71	20.71
ABN AMRO Flexible Short Term Plan - Series C - Qtly Dividend	10	1,00,00,000	10.00	10.00
ABN AMRO Flexible Short Term Plan - Series E - Dividend	10	1,49,98,650	15.00	15.00
ABN AMRO FTP - Series 7 - Quarterly Plan D - Dividend	10	1,02,08,385	10.21	10.21
ABN AMRO Interval Fund - Mtly Plan A - Dividend	10	1,00,00,000	10.00	10.00
ABN AMRO Interval Fund - Quarterly Plan G - IP - Dividend	10	1,02,08,385	10.21	10.21
ABN AMRO Money Plus IP Fund - Daily Dividend	10	4,91,26,215	49.13	49.13
AIG India Liquid Fund - Super IP - Daily Dividend	1000	3,00,392	30.04	30.06
AIG India Treasury Plus Fund - Super IP - Daily Dividend	10	2,00,99,282	20.10	20.12
Birla F M P - Qtly Series 2 - (Sep 07) - Dividend	10	1,99,56,296	19.96	20.00
Birla Sun Life Interval Income Fund Quarterly Plan - Series I - IP - Dividend	10	50,00,854	5.00	5.00
Birla Sun Life Interval Income Fund Quarterly Plan - Series II - IP - Dividend	10	2,81,94,748	28.19	28.19
Birla SunLife Liquid Plus - IP - Daily Dividend	10	5,00,56,352	50.06	50.09
Birla SunLife Liquid Plus - IP - Daily Dividend	10	13,75,68,615	137.57	137.66
Birla Cash Plus - Institutional Plan-Daily Dividend	10	3,39,77,733	33.98	340.44
Birla Cash Plus - Institutional Plan-Daily Dividend	10	20,97,69,626	209.77	210.18
Canara Robeco Interval Scheme - Monthly - IP - Dividend	10	80,00,000	8.00	8.00
Canara Robeco Interval Scheme - Quarterly - IP - Dividend	10	1,40,00,000	14.00	14.00
Canara Robeco Liquid - IP - Daily Dividend	10	2,79,81,383	27.98	28.10
Canara Robeco Liquid - IP - Daily Dividend	10	4,88,41,064	48.84	49.04
Canara Robeco Liquid - IP - Daily Dividend	10	6,78,99,898	67.90	68.18
Canara Robeco Liquid Plus - IP - Daily Dividend	10	2,26,27,267	22.63	28.07
DBS Chola Interval Income Fund - Mthly Plan A - IP - Dividend	10	1,00,00,000	10.00	10.01
DBS Chola Interval Income Fund - Mthly Plan A - IP - Dividend	10	1,00,00,000	10.00	10.00
DSP Merrill Lynch Cash Plus Fund - IP - Daily Dividend	1000	18,52,324	185.23	185.25
DSP Merrill Lynch Liquid Plus Fund - IP - Daily Dividend	1000	2,50,926	25.09	25.11
DSP Merrill Lynch Liquidity Fund - IP - Daily Dividend	1000	5,29,934	52.99	53.00
DSP Merrill Lynch Strategic Bond Fund - IP - Weekly Dividend	1000	5,37,717	53.77	53.83
DWS Insta Cash Plus Fund - IP - Daily Dividend	10	4,19,40,755	41.94	42.02
DWS Insta Cash Plus Fund - Super IP - Daily Dividend	10	3,20,05,788	32.01	32.07
DWS Money Plus Fund - IP - Daily Dividend	10	13,64,46,404	136.45	136.56
DWS Quarterly Interval Fund - Series 1 - Dividend	10	1,52,35,134	15.24	15.24
FT India MIP - Plan A - Monthly Dividend	10	1,66,74,710	16.67	19.96
Grindlays F R F - IP - LTP - Plan B - Daily Dividend	10	12,59,55,495	125.96	125.99
HDFC Cash Mgmt Fund - Savings Plus - Wholesale - Daily Dividend	10	3,82,99,791	38.30	38.42
HDFC FMP - 90D - Nov 2007 (6) WP - Dividend	10	1,00,06,959	10.01	10.01
HSBC Cash Fund - Institutional Plus - Daily Dividend	10	1,80,21,510	18.02	18.03
HSBC Interval Fund - Plan II-Institutional Dividend	10	1,01,81,667	10.18	10.18
ICICI Prudential Flexible Income Plan - Daily Dividend	10	94,79,714	9.48	10.02
ICICI Prudential Flexible Income Plan - Daily Dividend	10	1493,90,524	149.39	157.96
ICICI Prudential Interval Fund - Monthly Interval I - Dividend	10	2,11,07,945	21.11	21.27
ICICI Prudential Interval Fund - Monthly Interval II - Dividend	10	99,28,810	9.93	10.00
ICICI Prudential Interval Fund - Quarterly Interval I - Dividend	10	4,00,00,000	40.00	40.00
ICICI Prudential Interval Fund II - Quarterly Interval - Plan B - Dividend	10	80,01,862	8.00	8.00
ICICI Prudential Interval Fund II - Quarterly Interval - Plan C - Dividend	10	1,00,00,000	10.00	10.00
ING FMF - Series 25 - Dividend	10	1,00,00,000	10.00	10.00
ING FMF - Series 30 - Dividend	10	1,00,00,000	10.00	10.00
ING FMF - Series 34 - IP - Dividend	10	2,52,19,355	25.22	25.22
ING FMF - Series 37 - IP - Dividend	10	50,00,857	5.00	5.00
ING Liquid Fund - Super IP - Daily Dividend	10	22,07,68,493	220.77	220.87

Tata Chemicals Limited

Schedules forming part of the Balance Sheet (Contd.)

Schedule F : Investments

(Item No.6, page 52)

	Face Value Rupees	Number of Units	Face Value Rupees in crore	Purchase cost Rupees in crore
ING Liquid Plus Fund - IP - Daily Dividend	10	14,94,68,158	149.47	149.52
JM Arbitrage Advantage Fund - Dividend	10	1,45,74,568	14.57	15.00
JM Fixed Maturity Fund - Series VI - Qtly Plan 1 - IP - Dividend	10	1,50,00,000	15.00	15.00
JM Fixed Maturity Fund - Series VI - Qtly Plan 2 - IP - Dividend	10	1,00,00,000	10.00	10.00
JM Fixed Maturity Fund - Series VI - Qtly Plan 4 - IP - Dividend	10	1,50,00,000	15.00	15.00
JM Fixed Maturity Fund - Series VI - Qtly Plan 5 - IP - Dividend	10	1,00,00,000	10.00	10.00
JM High Liquidity - Super I P - Daily Dividend	10	9,71,47,630	97.15	97.31
JPMorgan India Liquid Fund - Daily Dividend	10	2,50,45,086	25.05	25.06
JPMorgan India Liquid Plus Fund - Daily Dividend	10	1,50,00,825	15.00	15.01
Kotak Flexi Debt Fund - Daily Dividend	10	7,22,72,351	72.27	72.50
Kotak FMP - 3 Months - Series 18 - Dividend	10	1,00,00,000	10.00	10.00
Kotak FMP - 3 Months - Series 26 - Dividend	10	1,00,00,000	10.00	10.00
Kotak Liquid - Inst Premium Plan - Daily Dividend	10	7,40,00,096	74.00	90.49
LIC MF FMP - Series 26 - Dividend	10	1,00,00,000	10.00	10.00
LIC MF Liquid Fund - Daily Dividend	10	36,16,31,665	361.63	397.08
LIC MF Liquid Plus Fund - Daily Dividend	10	16,93,05,781	169.31	169.31
Lotus India FMP - 1 Month - Series III - Dividend	10	1,00,61,850	10.06	10.06
Lotus India FMP - 3 Months - Series XIX Return - Dividend	10	81,37,072	8.14	8.14
Lotus India Liquid Fund - Super IP - Daily Dividend	10	12,03,77,238	120.38	120.39
Lotus India Liquid Plus Fund - IP - Daily Dividend	10	10,36,49,121	103.65	103.81
PRINCIPAL Floating Rate Fund - FMP - IP - Daily Dividend	10	6,19,65,030	61.97	62.04
Principal PNB FMP 91 Days - Series XII - Dividend	10	2,00,00,000	20.00	20.00
Reliance Interval Fund - Quarterly Series II - IP - Dividend	10	1,49,99,400	15.00	15.00
Reliance Interval Fund - Quarterly Series III - IP - Dividend	10	2,10,92,253	21.09	21.09
Reliance Liquid Fund - TP - IP - Daily Dividend	10	2,36,69,823	23.67	36.18
Reliance Liquid Plus Fund - IP - Daily Dividend	1000	6,58,317	65.83	65.91
SBI Magnum Debt Fund Series - 90 Days - 17 Nov 07 Return - Growth	10	1,50,00,000	15.00	15.00
SBI Magnum Debt Fund Series - 90 Days - May 07 - Dividend	10	2,00,00,000	20.00	20.00
SCFMP - QS 19 - Dividend	10	1,99,39,323	19.94	19.94
Standard Chartered Liquidity Manager Fund Plus - Daily Dividend	1000	6,50,10,673	6501.07	6502.43
Sundaram BNP Paribas FTP - Series I - (90 Days) - IP - Dividend	10	1,50,00,000	15.00	15.00
Sundaram BNP Paribas FTP - Series XXIX - (90 Days) - Dividend	10	2,04,37,077	20.44	20.44
Sundaram BNP Paribas FTP - Series XXXIV - (90 Days) - IP - Dividend	10	1,00,00,000	10.00	10.00
Sundaram BNP Paribas FTP - Series XXXV - (90 Days) - IP - Dividend	10	1,50,00,000	15.00	15.00
Sundaram BNP Paribas Interval Fund - QS - Plan A - IP - Dividend	10	1,00,00,000	10.00	10.00
Sundaram BNP Paribas Interval Fund - QS - Plan C - IP - Dividend	10	2,00,00,000	20.00	20.00
Sundaram BNP Paribas Liquid Plus - Super IP - Daily Dividend	10	15,97,56,868	159.76	160.03
Sundaram BNP Paribas Liquid Plus - Super IP - Wkly Dividend	10	1,46,80,205	14.68	15.03
Sundaram BNP Paribas Money Fund - Super IP - Daily Dividend	10	16,18,59,349	161.86	163.40
Tata FHF - Series 10 - Plan F - IP - Monthly Dividend	10	1,50,00,000	15.00	15.00
Tata FIP Fund - Series A3 - IP - Monthly Dividend	10	1,50,00,000	15.00	15.00
Tata Floater Fund - Daily Dividend	10	17,21,56,137	172.16	172.77
Tata Short Term Bond Fund	10	89,18,861	8.92	10.07
Tata Liquid Fund -SHIP- Daily Dividend	1000	17,956	1.80	2.00
Templeton FRIF - Long Term - IP - Dividend	10	1,45,54,610	14.55	15.06
Templeton India TMA - IP - Daily Dividend	1000	2,90,071	29.01	29.01
Templeton India TMA - Super IP - Weekly Dividend	1000	2,07,763	20.78	21.13
UTI - F M P - Sep 07 - QS2 - IP - Dividend	10	1,50,00,000	15.00	15.00
UTI Fixed Income Interval Fund - Quarterly Plan III - IP - Dividend	10	1,50,00,000	15.00	15.00
UTI Liquid Plus Fund - IP - Daily Dividend	1000	21,03,176	210.32	210.36
GOI Bonds				
8.3% Fertilizer Companies GOI Special Bonds 2023	100	1,82,00,000	182.00	182.00
7.95% Fertilizer Companies GOI Special Bonds 2026	100	1,26,45,300	126.45	126.45

Schedules forming part of the Balance Sheet (Contd.)

Schedule G : Inventories

[Item No.7 (a), page 52]

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1 Stores and spare parts, packing materials		91.75	82.94
2 Stock-in-Trade :			
(a) Raw materials	313.44		196.80
(b) Work-in-process	-		0.37
(c) Semi-finished and finished products	252.45		226.37
		<u>565.89</u>	<u>423.54</u>
		<u>657.64</u>	<u>506.48</u>

Schedule H : Sundry Debtors

(Item No.7 (b), page 52)

(unsecured)

1. Over six months old :			
- Considered good	216.44		147.41
- Considered doubtful	25.76		26.07
		<u>242.20</u>	<u>173.48</u>
2. Others :			
- Considered good		423.06	521.14
		<u>665.26</u>	<u>694.62</u>
Less : Provision for doubtful debts		25.76	26.07
		<u>639.50</u>	<u>668.55</u>

[Including subsidy receivable of Rs.473.06 crores
(31 March, 07 Rs. 565.19 crores)]

Schedule I : Cash and Bank Balances

(Item No.7 (c), page 52)

1. Cash on hand		0.09	0.09
2. Balance with scheduled banks in			
(a) Current accounts		175.81	72.39
(including cheques on hand Rs. 8.55 crores; 31 March, 07 Rs. 0.22 crore)			
(b) Deposit accounts		101.73	22.00
		<u>277.63</u>	<u>94.48</u>

Schedule J : Loans and Advances

(Item No.7 (d), page 52)

(unsecured)

1. Deposits with Government, public bodies and others :			
(a) Balances with Customs, Port Trusts ,Excise etc.		19.36	21.46
(b) Others		4.53	5.00
2. Loans and advances to subsidiary		237.73	424.36
3. Advance payment of taxes (net of provision)		65.62	44.88
4. Interest accrued on Investments		1.28	0.66
5. Other advances \$			
- Considered good	359.84		126.09
- Considered doubtful	1.39		1.37
	<u>361.23</u>		<u>127.46</u>
Less: Provision for doubtful advances	1.39		1.37
		<u>359.84</u>	<u>126.09</u>
		<u>688.36</u>	<u>622.45</u>

\$ Other advances include loans:

To Officer of the Company Rs.94,524 (previous year Rs.1,11,468) Maximum balance during the year Rs.1,11,468 (31 March, 07 Rs. 1,33,728)

Tata Chemicals Limited
Schedules forming part of the Balance Sheet (Contd.)
Schedule K : Current Liabilities

(Item No.8 (a), page 52)

1. Acceptances	
2. Sundry creditors	
(i) Dues of micro, small and medium enterprises (Note 16, page 83)	
(ii) Dues of other creditors	
3. Sundry deposits	
4. Pension payable on Employee Separation Scheme (Note 15 (a), page 83)	
5. Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 (not due as on 31.03.2008 / 31.03.2007)	
(a) Unclaimed dividend	
(b) Unclaimed debentures and interest	
(c) Unclaimed fixed deposits and interest	
6. Interest accrued but not due on loans	
7. Other liabilities	

**Rupees
in crores**
**Rupees
in crores**

As at
31-Mar-07
Rupees
in crores

343.92 193.78

1.28 -

566.68 389.41

29.88 24.55

3.62 4.81

7.47 7.10

0.01 1.22

***** *

7.48 8.32

3.49 6.47

14.31 15.13

970.66 642.47

Schedule L : Provisions

(Item No.8 (b), page 52)

1. Proposed dividend	
2. Tax on dividend	
3. Provision for premium on redemption of FCCBs (Note No. 10, page 82)	
4. Provision for site restoration expenditure	
5. Provision for employee benefits	

211.25 172.08

35.90 29.25

42.01 136.25

12.57 12.57

50.06 42.23

351.79 392.38

Schedule M : Miscellaneous Expenditure

(Item No.10, page 52)

(to the extent not written off or adjusted)

Employee separation scheme	
(Note 15, page 83)	

0.53 3.70

0.53 3.70

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

1 Significant Accounting Policies :

(a) Basis of Accounting

The accounts of the Company are prepared under the Historical Cost Convention using the accrual method of accounting.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets

Fixed Assets are carried at cost less depreciation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset.

Fixed Assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in project cost till commissioning of the project.

(d) Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(e) Foreign Currency Transactions

- (i) Purchases and sales in foreign currency are accounted at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the Balance Sheet date are translated at rates prevailing at the year end and the resultant net gains or losses are recognised as income or expense in the year in which they arise, except that exchange rate difference on long term loans to non-integral foreign operations, are accumulated in a Foreign Currency Translation Reserve, until disposal / recovery of the net investment.
- (ii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contract. Forward exchange contracts outstanding at the Balance Sheet date are stated at fair value and any gains or losses are recognised in the Profit and Loss Account.

(f) Investments

Long term investments are carried at cost, less provision for diminution, other than temporary, in value of such investments. Current investments are carried individually, at lower of cost and fair value.

(g) 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. Work in process, semi-finished and finished products include appropriate proportion of overheads and, where applicable, excise duty.

(h) Employee Separation Compensation

- (i) Compensation paid / payable to employees who have opted for retirement under "Voluntary Retirement Scheme" / "Early Separation Scheme" is amortised over the period for which benefit is expected.
- (ii) Liability under "Early Separation Scheme" is computed and accounted at Net Present Value.

Tata Chemicals Limited**Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)****(i) Sales**

Sales are recognised, net of returns and trade discounts, on dispatch of goods to customers. Sales tax and Value Added Tax are excluded. In respect of Urea, sales are recognised based on provisional rates of group concession as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by the Management based on the norms prescribed or notified under the said Scheme. In case of complex fertilisers, other than traded goods, sales include price concession, as notified under the Concession Scheme, or as estimated by the Management based on the norms prescribed. In case of traded goods, revenue is accounted to the extent they are recoverable under the terms of contract with vendors.

(j) Other Income

Interest income is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.

(k) Research and Development Expenses

Revenue expenditure pertaining to Research and Development is charged to the Profit and Loss Account. Expenditure on fixed assets used in Research and Development is capitalised.

(l) Depreciation

(i) Depreciation has been provided on the straight line method as per Section 205(2)(b) of the Companies Act, 1956 as follows :

- (a) in respect of assets acquired prior to 31 March, 1987, in accordance with circular no. 1/86 dated 21 May, 1986 of the Department of Company Affairs;
- (b) in respect of assets acquired on or after 1st April, 1987, at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 as amended, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under :

Membrane Cells	4 years
Catalyst	4-6 years
Vehicles	4 years
Computers and data processing equipments	4 years

- (c) for the purpose of depreciation, impairment loss is taken into account.

(ii) Leasehold land is amortised over the duration of lease.

(m) Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(n) Employee Benefits

Employee benefits consists of Provident Fund, Superannuation Fund, Gratuity Fund, compensated absences, long service award and post retirement medical benefits. Provident fund is considered as defined benefit plan.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(i) Post-employment benefit plans

Payments to defined contribution retirement benefit schemes for eligible employees in the form of Superannuation Fund are charged as an expense as they fall due.

For defined benefit schemes in the form of gratuity fund and post retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The Company makes contribution towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

(ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

The cost of compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) in case of non - accumulating compensated absence when the absences occur.

(iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

(o) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date.

(p) Derivative Contracts

The Company enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Derivative contracts which are closely linked to the underlying transaction are recognised in accordance with the contract terms. All other contracts are marked-to-market and losses are recognised in the Profit and Loss Account. Gains arising on the same on grounds of prudence are not recognised.

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(q) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised.

(r) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policy 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. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(s) Borrowing costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets / Investments are amortised and charged to Profit and Loss Account, over the tenure of the loan.

2. Segment Information

(a) Information about Primary Business Segments

(Rs. in crores)								
	Inorganic Chemicals		Fertilisers		Elimination		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Revenue :								
External (Net of Excise)	1,569.32	1,504.43	2,506.31	2,480.60	-	-	4,075.63	3,985.03
Inter-segment	16.65	14.36	-	-	(16.65)	(14.36)	-	-
Total Revenue	1,585.97	1,518.79	2,506.31	2,480.60	(16.65)	(14.36)	4,075.63	3,985.03
Result :								
Segment Result	347.36	364.77	329.31	237.13	-	-	676.67	601.90
Unallocated Income net of							492.74	40.17
Unallocated Expenditure							(12.31)	(8.23)
Borrowing Costs (net)							1,157.10	633.84
Profit before Tax							(207.92)	(189.63)
Provision for Tax							949.18	444.21
Profit After Tax								

Other Information :

Other Information :	(Rs. in crores)							
	Inorganic Chemicals		Fertilisers		Unallocated		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Segment Assets	1,328.76	1,128.44	1,510.20	1,670.22	4,678.68	1,962.02	7,517.64	4,760.68
Segment Liabilities	564.46	201.61	553.08	228.92	2,828.42	1,937.31	3,945.96	2,367.84
Capital Expenditure	82.96	87.32	40.52	13.62	26.77	18.70	150.25	119.64
Depreciation	65.70	67.53	80.41	80.78	2.65	2.04	148.76	150.35
Non-cash expenses other than depreciation and amortisation	3.26	3.89	-	-	-	-	3.26	3.89

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(b) Notes:

- (i) Management has identified two reportable business segments, namely :
- Inorganic Chemicals :- comprising of Soda Ash, Salt, Marine Chemicals, Caustic Soda, Cement and Bulk Chemicals.
 - Fertilisers :- comprising of Urea, Phosphatic fertilisers and other agricultural inputs.
- Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.
- (ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (iii) The inter segment transfers are made at cost. There is no change in the policy.

3. Earnings per Share :

		2007-08	2006-07
(a) Profit after tax	Rs. in crores	949.18	444.21
(b) The weighted average number of ordinary shares of Rs.10 each			
Total number of shares	Nos.	22,16,72,327	21,51,02,651
(c) Earning Per Share (Basic)	Rupees	42.82	20.65
(d) Profit after tax for Basic EPS	Rs. in crores	949.18	444.21
(e) Add: Borrowing cost for Foreign Currency			
Convertible Bonds (net of exchange gain/(loss) and tax)	Rs. in crores	(26.63)	1.50
(f) Profit after tax for Diluted EPS	Rs. in crores	922.55	445.71
(g) The weighted average number of ordinary shares for Basic EPS	Nos.	22,16,72,327	21,51,02,651
(h) Add: Adjustments for Foreign Currency			
Convertible Bonds	Nos.	2,18,01,474	2,83,71,176
(i) The weighted average number of ordinary shares for Diluted EPS	Nos.	24,34,73,801	24,34,73,827
(j) Earning Per Share (Diluted)	Rupees	37.89	18.31

4. Related Party Disclosure :

(a) Related Parties and their relationship

Subsidiaries Direct

Homefield International Pvt. Limited,
Mauritius

Wyoming 1 (Mauritius) Pvt. Ltd., Mauritius

Tata Chemicals Asia Pacific Pte. Ltd.,
Singapore

Joint Ventures Direct

Indo Maroc Phosphore
S. A., Morocco

Lake Natron Resources
Limited, Tanzania

Khet-Se Agri Produce
India Pvt. Ltd., India

Key Management Personnel

Mr. Homi Khusrookhan, Managing
Director

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(a) Related Parties and their relationship (Contd.)

Subsidiaries Indirect	Joint Ventures Indirect	Key Management Personnel
Homefield Pvt. UK Limited, UK	Kemex B.V., Netherlands	
Brunner Mond Group Limited, UK	Alcad, USA	
Brunner Mond (UK) Limited, UK		
Brunner Mond Limited, UK		
The Magadi Soda Company Limited, Kenya		
Brunner Mond (South Africa) Pty Limited, South Africa		
Northwich Resource Management Limited, UK		
Brunner Mond Generation Limited, UK		
Transcontinental Holdings Limited, UK		
Magadi Railway Company Limited, Kenya		
Brunner Mond B.V., Netherlands		
Wyoming 2 (Mauritius) Pvt. Ltd., Mauritius		
Gusiute Holdings (UK) Ltd., UK		
Valley Holdings Inc., USA		
General Chemical Industrial Products Inc., USA		
General Chemical International Inc., USA		
NHO Canada Holdings Inc., USA		
General Chemical (Soda Ash) Inc., USA		
Bayberry Management Corporation, USA		
General Chemicals (Soda Ash) Partners LLC, USA		
General Chemical (Great Britain) Ltd., UK		
General Chemical Canada Holding Inc., Canada		

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(b) Transactions with the related parties

(Rs. in crores)

	Subsidiaries			Joint Ventures		Key Management Personnel	
	The Magadi Soda Company Limited, Kenya	Wyoming 1 (Mauritius) Pvt. Limited., Mauritius	Homefield International Pvt. Ltd. Mauritius	Indo Maroc Phosphore S.A., Morocco	Khet-se Agri Produce India Pvt. Ltd., India	Mr. Homi Khusrokhani (Previous year Mr. Prasad R. Menon)	Total
Interest Income	-	-	23.48	-	-	-	23.48
	-	-	35.49	-	-	-	35.49
Purchase of goods (includes stock in transit)	25.42	-	-	203.63	-	-	229.05
	0.98	-	-	308.02	-	-	309.00
Investments (including advance towards subscription to equity shares)	-	2,745.10	-	-	5.00	-	2,750.10
	-	-	4.13	-	-	-	4.13
Loans given (including Interest capitalised)	-	-	18.57	-	-	-	18.57
	-	-	28.70	-	-	-	28.70
Amount Received (in respect of loans)	-	-	170.66	-	-	-	170.66
	-	-	229.16	-	-	0.16	229.32
Amount Received (in respect of interest receivable)	-	-	8.39	-	-	-	8.39
	-	-	8.62	-	-	-	8.62
Amount Payable (in respect of goods purchased)	-	-	-	-	-	-	-
	-	-	-	50.61	-	-	50.61
Interest receivable	-	-	4.70	-	-	-	4.70
	-	-	8.90	-	-	-	8.90
Amount receivable in respect of loans as on the Balance Sheet date	-	-	237.73	-	-	-	237.73
	-	-	424.36	-	-	-	424.36
Maximum amount outstanding during the year	-	-	439.22	-	-	-	439.22
	-	-	651.76	-	-	0.16	651.92
Amounts received/receivable on account of any Management Contracts including for deputation of employees	-	-	-	0.47	0.54	-	1.01
	-	-	-	0.54	-	-	0.54

In addition to the above, remuneration is paid to Key Management Personnel, under their contract of employment with the Company (Note 2, page 59).

The figures in light print are for previous year.

(c) Disclosure required by clause 32 of the Listing Agreement

Amount of Loans/advances in the nature of loans outstanding from subsidiaries during 2007-08

(Rs. in crores)

Name of the Subsidiary

Outstanding as of 31 March, 08	Maximum amount outstanding during the year	Investment in shares of subsidiaries of the Company (No. of shares)
Homefield International Pvt. Ltd., Mauritius	237.73	439.22
	424.36	651.76
		5,18,11,318
		5,18,11,318

The figures in light print are for previous year.

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

5 Deferred Taxes :

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

	(Rs. in crores)	
	As at 31-Mar-08	As at 31-Mar-07
Deferred Tax Assets :		
Provision for doubtful debts and advances	8.54	8.51
Provision for leave encashment	9.45	6.96
Other timing differences	7.10	9.16
	25.09	24.63
Deferred Tax Liability :		
Depreciation	290.55	315.85
Borrowing Cost	12.29	-
Other timing differences	0.48	-
	303.32	315.85
Net deferred tax liability	(278.23)	(291.22)

- 6 In March 2008, the Company through its wholly owned overseas subsidiaries acquired 100% equity interest in General Chemicals Industrial Products Inc. (GCIP), a premier natural Soda Ash Manufacturing Company in USA. Subsequent to the transfer of shares the process of which was completed on March 26, 2008, GCIP has become wholly owned subsidiary.

7 Employee Benefit Obligations :

- (a) The Company makes contribution towards provident fund to a defined benefit retirement plan and towards superannuation fund to a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

On account of Defined Contribution Plans, a sum of **Rs. 10.68 crores** (previous year Rs. 10.84 crores) has been charged to the Profit and Loss Account.

- (b) The Company makes annual contributions to the Tata Chemicals Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, both are funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

The Company is also providing post retirement medical benefits to qualifying employees.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31 March, 2008. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31 March, 2008 for the Defined Benefits Plans other than Provident Fund. According to the Management, in consultation with the actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in the absence of guidance from the Actuarial Society of India.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(i) Changes in the defined benefit obligation:

(Rs. in crores)

	Gratuity	Post-employment medical benefits	Gratuity	Post-employment medical benefits
	As at 31-Mar-08	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-07
Projected defined benefit obligation, beginning of the year (1 April, 2007)	45.34	5.88	40.59	6.24
Current service cost	2.38	0.23	2.30	0.25
Interest cost	3.77	0.49	3.00	0.46
Actuarial (gain) / loss	(1.60)	1.04	1.61	(0.95)
Benefits paid	(2.40)	(0.33)	(2.16)	(0.12)
Projected defined benefit obligation, end of the year	47.49	7.31	45.34	5.88
(ii) Changes in the fair value of plan assets:				
Fair value of plan assets, beginning of the year (1 April, 2007)	43.06	-	41.50	-
Expected return on plan assets	3.23	-	3.07	-
Employer's contributions	0.54	0.33	3.68	0.12
Actuarial gain / (loss)	2.39	-	(3.03)	-
Benefits paid	(2.40)	(0.33)	(2.16)	(0.12)
Fair value of plan assets, end of the year	46.82	-	43.06	-
Liability (net)	0.67	7.31	2.28	5.88

(iii) Net employee benefit expense (recognised in Employee Cost) for the year ended 31 March, 2008

(Rs. in crores)

	Gratuity	Post-employment medical benefits	Gratuity	Post-employment medical benefits
	31-Mar-08	31-Mar-08	31-Mar-07	31-Mar-07
Current service cost	2.38	0.23	2.30	0.25
Interest defined benefit obligation	3.77	0.49	3.00	0.46
Expected return on plan assets	(3.23)	-	(3.07)	-
Net actuarial (gain) / loss recognised in the year	(3.99)	1.04	4.64	(0.95)
Past service cost	-	-	-	-
Net benefit expense	(1.07)	1.76	6.87	(0.24)
Actual Return on Plan Assets	5.62	-	0.04	-

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)**(iv) Categories of plan assets as a percentage of the fair value of total plan assets :**

	Gratuity		Gratuity	
	31-Mar-08	31-Mar-08	31-Mar-07	31-Mar-07
	Rs. in crores	%	Rs. in crores	%
Government of India Securities	25.10	53	19.79	46
Corporate Bonds	4.80	10	3.67	9
Special Deposit Scheme	11.61	25	11.61	27
Equity Shares of Listed Companies	0.25	1	0.84	2
Insurer Managed Funds	4.04	9	3.68	9
Others	1.02	2	3.47	7
Total	46.82	100	43.06	100

(v) Assumptions used in accounting for gratuity and post-employment medical benefit obligations :

(Rs. in crores)

	Gratuity	Post-employment medical benefits
	31-Mar-08	31-Mar-08
Discount rate	8.02%	8.02%
	8.10%	8.10%
Expected rate of return on plan assets	8.50%	NA
	7.50%	NA
Increase in Compensation cost	10% p.a. for first 3 years & 7.5% p.a. thereafter	NA
	10% p.a. for first 3 years & 7.5% p.a. thereafter	NA
Healthcare cost increase rate	NA	6.00%
	NA	6.00%

- (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) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (c) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(vi) Effect of Change in Assumed Health Care Cost Trend Rate

(Rs. in crores)

	2007-08		2006-07	
	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	0.22	(0.11)	0.14	(0.12)
Effect on defined benefit obligation	1.47	(1.14)	1.10	(0.95)

- 8 The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures are given below :

(Rs. in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Lake Natron Resources Limited	
Country of Incorporation	India		Morocco		Tanzania	
Percentage of ownership interest	50%		33.33%		50%	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
LIABILITIES						
Loan Funds	-	NA	1.07	18.92	-	-
Current Liabilities	1.48	NA	147.19	63.12	-	-
ASSETS						
Fixed Asset-Net Block	2.92	NA	104.29	125.97	-	-
Current Assets	0.44	NA	207.23	67.87	*	*
	-					
INCOME						
Sales and Operating income	0.16	NA	293.51	274.04	-	-
EXPENDITURE						
Manufacturing and other expenses	1.94	NA	211.77	216.47	-	-
Interest expense (net)	*	NA	2.68	1.41	-	-
Depreciation	0.01	NA	28.72	28.25	-	-
Provision for Tax	0.01	NA	9.33	3.90	-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(1.79)	NA	41.01	24.01	-	-
CONTINGENT LIABILITIES	0.08	NA	-	-	-	-
CAPITAL COMMITMENTS	1.89	NA	-	-	-	-

- 9 (a) During the year 2004-05, the Company had issued Foreign Currency Convertible Bonds (FCCBs) of a face value of USD 1000 each aggregating to USD 150 million. As per the terms of the issue, the holders have an option to convert the FCCB into Ordinary Shares at a conversion rate of Rs. 231.375 per Ordinary Share at a fixed exchange rate conversion of Rs. 43.65 = USD 1, from 13th March, 2005 to 22nd January, 2010. The conversion price is subject to certain adjustments for Corporate actions and consequently the conversion price has changed to Rs.230.78 per ordinary share. Further, under certain conditions the Company has an option of early redemption in whole but not in part. Unless previously converted, redeemed or purchased and cancelled, the Company will redeem these bonds at 120.89 per cent of the principal amount on 1st February, 2010.

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

- (b) During the year 2007-08, the Company got notices for conversion of USD 99.879 million FCCBs into ordinary shares at a conversion price of Rs. 230.78 per ordinary share at a fixed exchange rate of Rs. 43.65 = USD1. Pursuant to this, the Company has issued 1,88,91,205 Ordinary share of Face Value Rs.10.
- (c) Exchange gain of Rs. 3.51 crores on account of year end translation of liability denominated in foreign currency, relating to premium on redemption of FCCBs has been credited to the Securities Premium account. In the previous year, exchange gain of Rs. 3.57 crores was Credited to the Securities Premium Account.

10 Provision for premium on redemption of Foreign Currency Convertible Bonds (FCCBs)

(Rs. in crores)

	As at 31-Mar-08	As at 31-Mar-07
Opening Balance	136.25	139.82
Less :- Reversal of Provision for Premium on Redemption of FCCB on conversion of FCCBs	(90.72)	-
Exchange difference	(3.52)	(3.57)
Closing Balance	42.01	136.25

Premium payable on redemption of FCCBs issued has been fully provided and debited to Securities Premium Account.

11 Derivative Instruments :

- (a) As on 31 March, 08, the Company has the following derivative instruments outstanding:
- Forward currency exchange contracts USD-INR amounting to **USD 22.42 million** for the purpose of hedging its exposures to foreign currency loans (previous year USD 56.95 million)
 - Forward currency exchange contracts USD- INR amounting to **USD 54.36 million** for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 15.98 million)
 - Currency options contracts USD- INR amounting to **USD 65 million** with an intent to hedge its exposures to foreign currency loans (previous year USD 169.26 million). FCCB outstanding as on 31 March, 08 is USD 50 million.
 - Currency options contracts USD-INR amounting to **USD Nil** for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 11 million)
 - Full Currency Swap to hedge against fluctuations in exchange rates **USD 25 million** (previous year Notional principal USD Nil)
 - Cross Currency Swap to hedge against fluctuations in exchange rates and Interest rates **USD 475 million** (previous year Notional principal USD Nil)
- (b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:
- Export receivables **USD 4.14 million** (previous year USD 1.20 million)
 - Loans and advances **USD 59.24 million** (previous year USD 97.60 million)
 - Acceptances **USD 31.35 million** (previous year USD 17.59 million)
 - Accounts payable **USD Nil** (previous year USD 10.36 million)
 - Liability arising out of cross currency swap **USD 475 million** (previous year USD Nil).

- 12 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. 162.13 crores** (previous year Rs.10.01 crores)
- (b) Capital commitment towards investment in joint venture Khet-Se Agri Produce India Private Limited : **Rs. 48 crores** (previous year Rs. 53 crores)
- (c) Capital commitment towards investment in proposed project at Mozambique : **Rs. 0.40 crores** (previous year Rs. Nil)

13 Contingent Liabilities :

- (a) **Guarantees:**
- Bank Guarantees issued by Banks on behalf of the Company **Rs.69 crores** (previous year Rs.67.60 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.
 - The Company has provided guarantees to third parties on behalf of its subsidiaries as follows :
 - On behalf of Valley Holdings Inc., United States - **USD 367.5 million** (Rs.1474.59 crores) (previous year USD Nil)
 - On behalf of Homefield Pvt. UK Limited, UK - **USD 150 million** (Rs.601.88 crores) (previous year USD Nil)

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

(b) **Claims not acknowledged by the Company relating to the following areas :**

(Rs. in crores)

	As at 31-Mar-08	As at 31-Mar-07
(i) Excise and Customs	112.34	38.97
(ii) Sales Tax	34.86	57.05
(iii) Demand for utility charges	57.80	50.61
(iv) Labour and other Legal matters	6.21	6.78
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	52.39	59.97
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	41.88	67.80

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

(d) Bills discounted by Company **Rs. 14.79 crores** (previous year Rs. Nil).

(Rs.in crores)

	As at 31-Mar-08	As at 31-Mar-07
14 (a) Total of minimum lease payments	180.66	201.57
The total of future minimum lease payments under non-cancellable operating leases for a period :		
Not later than one year	16.36	20.91
Later than one year and not later than five years	67.66	66.35
Later than five years	96.64	114.31
(b) Lease payments recognised in the statement of profit and loss for the year	20.91	24.32
(c) The lease deposit of Rs. 25 crores for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of Rs. 2.18 crores (previous year Rs. 2.17 crores) has been charged to the Profit and Loss Account on the principle of matching of revenue and costs.		
15 (a) Provision for compensation under Employee Separation Scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.		
(b) The amount shown under Miscellaneous Expenditure on this account represents the balance amount to be amortised over the future years.		
(c) An amount of Rs.0.51 crore (previous year Rs.0.64 crore) is payable under the scheme within one year.		
16 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 and Small Enterprises under the said Act as at 31 March, 2008 as follows :		

(Rs.in crores)

	As at 31-Mar-08
(a) (i) Principal amount remaining unpaid to any supplier as on 31 March, 2008	1.28
(ii) Interest on 1a above	*
(b) (i) The amount of principal paid beyond the appointed date	2.78
(ii) The amount of interest paid beyond the appointed date	-
(c) Amount of interest due and payable on delayed payments	-
(d) Amount of interest accrued and due as at 31 March 2008	*
(e) Amount of further Interest remaining due and payable even in succeeding years (incase of entities registered prior to 31 March, 2007)	-
(f) Total outstanding dues of micro enterprises and small enterprises	1.28

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

17 Licensed and installed capacities :

	As at 31-Mar-08		As at 31-Mar-07	
	Licensed Capacity Tonnes	Installed Capacity Tonnes \$	Licensed Capacity Tonnes	Installed Capacity Tonnes \$
Soda Ash	1,000,000	917,700	1,000,000	917,700
Sodium Bicarbonate	75,600	70,000	75,600	70,000
Caustic Soda	36,000	36,000	36,000	36,000
Liquid Chlorine	31,950	31,950	31,950	31,950
Hydrochloric Acid	N.A.	64,800	N.A.	64,800
Bromine	2,520	2,400	2,520	2,400
Hydrobromic Acid	50	50	50	50
Vacuum Salt	N.A.	550,550	N.A.	550,550
Chemicals and other Industrial Machinery	5,000	5,000	5,000	5,000
Clinker	N.R.	825,000	N.R.	825,000
Cement	440,000	440,000	440,000	440,000
Ammonia	N.R.	445,500	N.R.	445,500
Urea	N.R.	742,500	N.R.	742,500
Sulphuric acid #	221,500	221,500	221,500	221,500
Phosphoric acid #	46,725	41,850	46,725	41,850
Sulphonic Acid #	N.A.	12,000	N.A.	12,000
Sodium Tripolyphosphate (STPP) #	40,000	50,000	40,000	50,000
Diammonium Phosphate (DAP) #	670,000	670,000	670,000	670,000
Industrial phosphates @ #	15,000	15,000	15,000	15,000
Tetra Sodium Pyro Phosphate (TSPP) @ #	15,000	15,000	15,000	15,000
Single Super Phosphate (SSP) #	165,000	165,000	165,000	165,000

\$ As certified by the Management and accepted by the Auditors.

Licensed capacity includes capacity under the Industrial Entrepreneurs Memorandum filed with the Government and duly acknowledged by them under the scheme of delicensing notified by the Government.

@ Alternate capacities to STPP.

N.A. Not Applicable

N.R. Not Required

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

18 Production and Sales :

	Production/Purchase		Internal Use ##		Sales			
	2007-08	2006-07	2007-08	2006-07	2007-08		2006-07	
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Rs. in crores	Tonnes	Rs. in crores
Soda Ash	697,046	757,209	13,690	35,180	680,200	826.23	721,946	754.14
Sodium Bicarbonate	61,491	60,588	741	102	62,345	76.83	59,281	66.79
Caustic Soda	7,450	9,699	2,424	2,771	4,878	8.42	6,965	13.06
Liquid Chlorine	1,674	3,560	212	352	1,310	0.70	3,233	0.97
Hydrochloric Acid	11,363	11,853	8,371	10,253	2,794	0.16	1,785	0.11
Bromine	1,101	1,749	-	-	1,061	12.66	1,713	16.40
Hydrobromic Acid	-	-	1	-	-	-	-	-
Vacuum Salt #	493,982	471,900	7,340	12,011	479,697	361.05	496,802	330.32
Pure Salt	6,938	15,209	-	306	7,728	3.49	15,108	5.71
Solar Salt	-	222,709	-	-	-	-	222,709	4.25
Gypsum	236,615	234,585	29,530	26,028	163,367	7.93	231,201	9.80
Cement	380,907	510,371	4,646	3,389	373,670	157.76	508,552	193.18
Clinker	356,942	515,986	362,814	486,693	4,443	0.99	48,508	9.80
Ammonia	610,910	576,677	610,224	576,651	-	-	-	-
Urea	1,070,308	1,011,338	336	589	1,043,047	1044.83	1,016,886	863.52
Sodium Tripolyphosphate (STPP) @	44,411	41,213	-	10	44,719	171.79	45,612	168.68
Diammonium Phosphate (DAP)	237,505	296,426	288	343	225,564	400.60	278,493	455.83
NPK	390,384	462,796	1,382	310	449,801	715.53	431,116	635.93
Single Super Phosphate	95,308	159,690	9,200	26,069	93,867	43.08	124,200	55.17
Sulphuric Acid	214,750	238,031	158,202	178,695	58,106	31.61	55,238	16.02
Phosphoric Acid	31,930	33,827	31,836	33,611	63	0.19	76	0.22
Sulphonic Acid @@	56	1,821	1	2	92	0.90	1,967	11.04
Sale of Purchased Materials :								
Vacuum Salt	-	7,589	-	-	-	-	7,589	3.08
Solar Evaporated Salt I shakti	94,401	5,065	-	-	84,552	41.31	5,065	2.57
Complex Fertilisers	-	171,296	87	1,049	816	1.90	201,341	308.17
MOP	215,571	109,200	18,069	32,440	152,154	183.81	93,071	104.66
Rock Phosphate	-	3,724	-	-	-	-	3,724	1.54
Sulphur	-	1,159	-	-	-	-	1,159	0.56
Caustic Soda Lye	-	13,884	-	-	-	-	13,884	13.15
Others					109.39			52.99
					4201.17			4097.66

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

@ Excludes quantities processed under conversion arrangement **Nil tonnes** (previous year 2,668 tonnes)

@@ Excludes quantities processed under conversion arrangement **10,616 tonnes** (previous year 10,092 tonnes)

After adjusting excess / shortage

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

19 Closing Stocks of Semi - Finished and Finished Products :

	As at 31-Mar-08		As at 31-Mar-07		As at 31-Mar-06	
	Tonnes	Rs. in crores	Tonnes	Rs. in crores	Tonnes	Rs. in crores
Soda Ash	19,712	14.10	16,557	11.86	16,474	10.50
Sodium Bicarbonate	1,227	0.90	2,821	1.70	1,616	0.82
Caustic Soda	288	0.47	142	0.13	179	0.12
Liquid Chlorine	183	0.10	31	0.02	56	0.04
Hydrochloric Acid	379	0.02	181	0.01	366	0.03
Bromine	84	0.38	45	0.20	9	0.04
Ethyl Bromide	2	0.01	2	0.01	2	0.01
Hydrobromic Acid	1	0.01	2	0.01	2	0.01
Vacuum Salt	46,318	12.57	29,525	6.50	66,438	13.87
Pure Salt	213	0.03	1,004	0.16	1,209	0.19
Gypsum	49,268	0.41	5,549	0.05	28,193	0.28
Cement	8,824	1.81	6,233	0.86	7,803	1.28
Clinker	12,968	2.15	23,282	4.19	42,497	5.35
Ammonia	1,820	1.73	1,134	0.87	1,108	0.72
Urea	85,825	65.27	58,900	36.56	65,037	35.55
Complex Fertilisers	103	0.16	1,007	1.58	32,101	45.66
Sodium Tripolyphosphate (STPP)	369	2.62	677	3.42	5,086	19.77
Diammonium Phosphate (DAP)	39,429	64.54	27,776	42.66	10,186	15.90
NPK	8,641	11.54	69,439	95.94	38,069	52.49
Single Super Phosphate	5,723	1.94	13,482	4.39	4,061	1.40
Sulphuric Acid	3,639	1.75	5,197	0.74	1,099	0.21
Phosphoric Acid	425	1.30	393	0.98	253	0.75
Sulphonic Acid	16	0.10	53	0.30	201	1.05
MOP	55,581	56.91	10,234	10.23	26,545	27.35
Others	-	11.61	-	3.00	-	0.84
		252.45		226.37		234.23

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

20 Raw Materials consumed :

(inclusive of materials produced and captively consumed)

	Measure	2007-08		2006-07	
		Quantity	Rs. in crores	Quantity	Rs. in crores
(a) Limestone @	Tonnes	17,43,371	90.34	16,36,298	81.82
(b) Liquid Ammonia#	Tonnes	3,094	5.27	3,004	5.01
(c) Salt *	Tonnes	11,54,711	19.21	16,03,860	16.90
(d) Coke	Tonnes	60,301	67.98	79,439	65.02
(e) Anthracite Coal	Tonnes	41,925	26.68	18,143	10.87
(f) Natural Gas	SCM	14,97,28,116	74.34	16,08,51,336	74.03
(g) RLNG	SCM	23,38,41,704	221.98	22,74,51,365	208.22
(h) Naptha	KL	32,201	83.38	3,478	7.63
(i) Phosphoric Acid	Tonnes	2,15,850	510.07	2,51,578	558.20
(j) Ammonia	Tonnes	1,05,322	160.64	125,478	201.91
(k) MOP	Tonnes	1,46,753	151.04	168,380	170.40
(l) Rock	Tonnes	1,61,460	79.31	1,95,684	76.14
(m) MAP	Tonnes	-	-	20,898	26.30
(n) Sulphur	Tonnes	72,923	74.88	79,220	32.94
(o) Other Raw Materials **			100.93		86.98
			1,666.06		1,622.37

@ Includes **Rs.5.56 crores** (previous year Rs.4.88 crores) charged to wages, salaries and other revenue accounts.

Includes **Rs.0.50 crore** (previous year Rs. 0.46 crore) charged to wages, salaries and other revenue accounts.

* Includes **Rs.4.51 crores** (previous year Rs. 4.16 crores) charged to wages, salaries and other revenue accounts.

** Includes **Rs.5.72 crores** (previous year Rs. 3.62 crores) charged to wages, salaries and other revenue accounts.

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

	2007-08 Rs. in crores	2006-07 Rs. in crores
(a) Raw Materials, fuel and traded products	1,361.90	1,310.38
(b) Stores, components and spare parts	8.49	6.22
(c) Capital goods	12.24	3.01
	1,382.63	1,319.61

22 Expenditure in Foreign Currencies :

	2007-08 Rs. in crores	2006-07 Rs. in crores
(a) For Technical know how fees	27.98	3.85
(b) Interest	36.88	42.48
(c) Payments on other accounts	45.51	7.50
	110.37	53.83

Tata Chemicals Limited

Schedule N : Notes on the Balance Sheet and Profit and Loss Account (Contd.)

23 Remittances in foreign currencies for Dividends :

The Company has remitted during the year **Rs. 11.64 crores** (previous year Rs.5.29 crores) in foreign currencies on account of dividends and does not have information as to the extent to which other remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders for the year 2006-07, for which dividend was declared during the year, are as under :

	2007-08 Rs. in crores	2006-07 Rs. in crores
(a) Number of Non-Resident Shareholders	1,621	1,791
(b) Number of Ordinary Shares held by them	1,45,46,137	75,58,178
(c) Gross amount of dividend (Rs. in crores)	11.64	5.29

24 Earnings in Foreign Exchange :

	2007-08 Rs. in crores	2006-07 Rs. in crores
(a) Export of goods on F.O.B. basis	66.79	77.93
(b) Interest	25.15	35.49
	91.94	113.42

25 Value of imported and indigenous raw materials, stores, components and spare parts consumed :

	2007-08				2006-07			
	Raw Materials		Stores Components and Spare Parts		Raw Materials		Stores Components and Spare Parts	
	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%	Rs. in crores	%
(a) Imported	834.93	50.11	9.45	17.50	1,110.54	68.45	2.88	4.60
(b) Indigenous	# 831.13	49.89	44.58	82.50	# 511.83	31.55	59.72	95.40
	1,666.06	100.00	54.03	100.00	1,622.37	100.00	62.60	100.00

Includes Rs. 16.29 crores (previous year Rs. 13.12 crores) charged to wages, salaries and other revenue accounts.

26 Sales includes subsidy income of **Rs. 1,240.89 crores** (previous year Rs. 1,079.35 crores)

27 During the year, the Company has incurred Rs.36.17 crores towards drawdown of External Commercial Borrowings. This cost is amortised over the tenure of the loan. Accordingly, Rs. 0.09 crore has been charged as borrowing cost during the current year.

28 Asterisk denotes figures below Rs.50,000.

29 Previous years' figures have been regrouped / reclassified wherever necessary.

Signatures to Schedules '1' to '5', 'A' to 'M', Notes to Accounts, Balance Sheet Abstract of Company's General Business Profile.

For and on behalf of the Board
R. N. TATA *Chairman*
R. GOPALAKRISHNAN *Vice-Chairman*
H. R. KHUSROKHAN *Managing Director*
P. K. GHOSE *Executive VP & CFO*
RAJIV CHANDAN *Company Secretary & Head Legal*
Mumbai, 24th June, 2008

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

 2 8 9 3

State Code

 1 1

Balance Sheet Date

 3 1
Date

 0 3
Month

 0 8
Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

 N I L

Rights Issue

 N I L

Bonus Issue

 N I L

Private Placement

 N I L

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

 6 1 9 5 1 9 3 0

Sources of Funds

Paid up Capital

 2 3 4 0 6 3 0

Secured Loans

 4 7 9 6 7 2

Deferred Tax Liability (Net)

 2 7 8 2 3 4 3

Application of Funds

Net Fixed Assets

 1 5 1 2 5 8 1 7

Net Current Assets

 9 4 0 6 7 5 0

Accumulated Losses

 N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Revenue)

 4 8 4 7 6 5 7 7

+/-

 +

Profit/Loss before tax

 1 1 5 7 0 9 5 5

Earnings per Share in Rs.

 4 2 . 8 2

+/-

 +

Total Expenditure

 3 6 9 0 5 6 2 2

Profit/Loss after tax

 9 4 9 1 7 5 5

Dividend rate %

 9 0

V. Generic names of three principal products/services of the Company (as per monetary terms)

Item code no. (ITC Code)

 0 0 3 1 0 2 1 0 0 0

Product Description

 U R E A

Item code no. (ITC Code)

 0 0 2 8 3 6 2 0 0 9

Product Description

 S O D A A S H

Item code no. (ITC Code)

 0 0 3 1 0 5 3 0 0 0

Product Description

 D I A M M O N I U M P H O S P H A T E

Sixty-ninth annual report 2007-2008

Tata Chemicals Limited

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary Company	Financial Year end of the subsidiary Company	Extent of holding by Tata Chemicals Limited in the subsidiary as on March 31, 2008	Profit/(loss) so far as it concerns the members of Tata Chemicals Limited and not dealt with in the accounts of Tata Chemicals Limited for the year ended March 31, 2008 (Rs. in Crores)	Profit/(loss) so far as it concerns the members of the Tata Chemicals Limited and dealt with in the accounts of Tata Chemicals Limited for the year ended March 31, 2008 (Rs. in Crores)
Homefield International Pvt. Ltd	March 31, 2008	100%	58.27	NIL
Homefield Pvt. UK Ltd	March 31, 2008	100%	(44.00)	NIL
Brunner Mond Group Limited	March 31, 2008	100%	(42.29)	NIL
Wyoming 1 (Mauritius) Pvt. Ltd	March 31, 2008	100%	(0.04)	NIL
Wyoming 2 (Mauritius) Pvt. Ltd	March 31, 2008	100%	(0.04)	NIL
Gusiute Holdings (UK) Ltd	March 31, 2008	100%	0.32	NIL
Valley Holdings Inc.	March 31, 2008	100%	-	NIL

For and on behalf of the Board
R. N. TATA *Chairman*
R. GOPALAKRISHNAN *Vice-Chairman*
H. R. KHUSROKHAN *Managing Director*
P. K. GHOSE *Executive VP & CFO*
RAJIV CHANDAN *Company Secretary & Head Legal*

Mumbai, 24th June, 2008.

The Company has been granted exemption for the year ended March 31, 2008 by the Ministry of Corporate Affairs from attaching to its Balance Sheet, the individual Annual Reports of its subsidiary companies. As per the terms of the Exemption Letter, a statement containing brief financial details of the Companies subsidiaries for the year ended March 31, 2008 is given below. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company / its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company / its subsidiaries at the Registered Office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices of the respective subsidiary companies.

Summary of Financial Information of Subsidiary Companies

(Rs. in crores)

Name of Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
Homefield International Pvt. Ltd	361.19	79.91	678.82	678.82	368.19	53.69	58.27	-	58.27	-
Homefield Pvt. UK Ltd	412.29	(75.77)	755.82	755.82	823.76	(9.32)	(44.00)	-	(44.00)	-
Brunner Mond Group Limited @	0.80	283.57	1,106.83	1,106.83	-	1,746.78	(48.09)	(5.80)	(42.29)	-
Wyoming 1 (Mauritius) Pvt. Ltd	2,709.89	(1.49)	2,708.40	2,708.40	2,688.38	-	(0.04)	-	(0.04)	-
Wyoming 2 (Mauritius) Pvt. Ltd	2,689.82	(1.49)	2,688.34	2,688.34	2,688.38	-	(0.04)	-	(0.04)	-
Gusiute Holdings (UK) Ltd	2,689.80	(33.37)	2,656.43	2,656.43	2,628.34	0.32	0.32	-	0.32	-
Valley Holdings Inc. @	*	2,647.41	4,195.00	4,195.00	-	-	-	-	-	-

@ Consolidated figures in case of Brunner Mond Group Limited and Valley Holdings Inc with its subsidiaries.

The financial statements of subsidiaries are converted into Indian Rupees on the basis of appropriate exchange rate.

* Issued and subscribed Shared Capital in respect of Valley Holding Inc is USD 1.

Financial Highlights - Last Decade

Year	Turnover (Rs. Crs.)	Net Operating Income (Rs. Crs.)	PAT/Net Income (%)	Earnings per Share- Basic (Rs.)	Dividend per Share (Rs.)	Gross Gearing (%)	Return on Capital Employed (%)	Return on Net Worth (%)	Fixed Assets Cover (No. of times)	Working Capital Turnover (%)	Exports FOB Value (Rs. Crs.)	Market Capita- lisation as on March 31st (Rs. Crs.)
1998-99	1,453.09	1,358.84	13.4%	10.06	5.00	48.4%	12.7%	11.1%	0.55	69.7%	2.05	1,297.43
1999-00	1,513.42	1,424.65	8.2%	6.50	5.00	44.7%	10.4%	7.0%	0.52	54.6%	5.46	948.68
2000-01	1,470.00	1,405.25	11.7%	9.13	5.00	37.1%	11.3%	9.1%	0.51	52.4%	22.10	687.33
2001-02	1,387.10	1,357.68	9.3%	7.02	5.00	34.5%	10.1%	7.3%	0.48	50.0%	20.75	839.97
2002-03	1,612.42	1,535.27	12.8%	10.88	5.50	28.2%	11.8%	12.3%	0.54	40.8%	53.18	1,190.41
2003-04	2,632.79	2,544.15	8.7%	10.25	5.50	23.6%	12.3%	12.0%	0.84	34.3%	64.25	2,293.62
2004-05	3,097.91	3,008.14	11.3%	15.83	6.50	36.0%	13.8%	16.9%	0.98	39.0%	85.27	3,260.96
2005-06	3,638.23	3,518.59	10.0%	16.41	7.00	36.9%	13.7%	17.0%	1.12	47.6%	80.61	5,675.48
2006-07	4,107.08	3,985.03	11.1%	20.65	8.00	28.0%	16.7%	19.5%	1.24	21.5%	77.93	4,451.55
2007-08	4,207.13	4,075.62	23.3%	42.82	9.00	37.9%	23.6%	31.8%	1.24	23.1%	66.79	6,570.55

TATA CHEMICALS

Sixty-ninth annual report 2007-2008

Tata Chemicals Limited**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****TO THE BOARD OF DIRECTORS OF
TATA CHEMICALS LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **TATA CHEMICALS LIMITED** ("the Company"), its subsidiaries and joint ventures (collectively referred as "the Group") as at 31st March, 2008, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets (net) of Rs.6,221.87 crores as at 31st March, 2008, total revenues of Rs.1,785.05 crores and net cash inflow of Rs.249.73 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on their reports.
4. We did not audit the financial statements of joint ventures, whose financial statements include the Company's share in the total assets (net) of Rs.163.21 crores as at 31st March, 2008, total revenues of Rs.223.33 crores and net cash inflow of Rs.89.36 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these joint ventures, is based solely on their reports.
5. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of the Accounting Standards 21 (Consolidated Financial Statements) and 27 (Financial Reporting of Interests in Joint Ventures).
6. Based on our audit and consideration of the separate audit reports on the individual financial statements of the Company, its subsidiaries and joint ventures referred to in paragraphs 3 and 4 above and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2008;

- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S. B. BILLIMORIA & CO.
Chartered Accountants

NALIN M. SHAH
Partner
Membership No. 15860

Mumbai, 24th June, 2008

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

TATA CHEMICALS

Sixty-ninth annual report 2007-2008

Tata Chemicals Limited

Consolidated Balance Sheet as at 31st March, 2008

	Schedule	Page	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	A	100		234.06	215.16
(b) Reserves and Surplus	B	100		3,484.39	2,356.66
				3,718.45	2,571.82
2. DEFERRED CAPITAL GRANT				14.79	21.13
3. LOAN FUNDS					
(a) Secured	C	101	643.22		862.07
(b) Unsecured	D	101	4,207.25		1,002.13
				4,850.47	1,864.20
4. DEFERRED TAX LIABILITY (net)				320.42	291.22
(Note 6, page 114)					
5. TOTAL				8,904.13	4,748.37
APPLICATION OF FUNDS					
6. FIXED ASSETS					
(a) Gross Block			6,326.75		5,782.26
(b) Less : Depreciation and Impairment ..			3,221.57		2,955.82
(c) Net Block	E	102	3,105.18		2,826.44
(d) Capital Work-in-Progress			266.03		229.61
				3,371.21	3,056.05
7. GOODWILL ON CONSOLIDATION				4,649.24	763.24
8. INVESTMENTS	F	103		417.42	775.26
9. DEFERRED TAX ASSET (net)				50.97	57.56
(Note 6, page 114)					
10. CURRENT ASSETS ,LOANS AND ADVANCES					
(a) Inventories.....	G	104	930.16		635.17
(b) Sundry Debtors	H	104	1,199.94		966.49
(c) Cash and Bank Balances	I	104	676.72		154.46
(d) Loans and Advances	J	105	621.48		258.18
			3,428.30		2,014.30
Less:					
11. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	K	105	1,933.55		1,108.20
(b) Provisions	L	106	1,079.99		813.54
			3,013.54		1,921.74
12. NET CURRENT ASSETS (10-11)				414.76	92.56
13. MISCELLANEOUS EXPENDITURE	M	106		0.53	3.70
14. TOTAL				8,904.13	4,748.37
15. Notes on the Balance Sheet and Profit and Loss Account	N	107			

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants,NALIN M. SHAH
Partner

Mumbai, 24th June, 2008.

For N. M. RAIJI & CO.
Chartered Accountants,J. M. GANDHI
PartnerR. N. TATA
R. GOPALAKRISHNAN
H. R. KHUSROKHAN
P. K. GHOSE
RAJIV CHANDANFor and on behalf of the Board
Chairman
Vice-Chairman
Managing DirectorExecutive VP & CFO
Company Secretary & Head Legal

Mumbai, 24th June, 2008

Consolidated Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Page	Rupees in crores	Rupees in crores	Previous year Rupees in crores
INCOME					
1 Sales and services	1 (1)	98		5,981.68	5,763.21
2. Operating Income	1 (2)	98		41.47	40.43
3. Other Income	2	98		566.74	97.75
4. Foreign exchange gain on borrowings				76.71	25.01
5. TOTAL INCOME				6,666.60	5,926.40
EXPENDITURE					
6. Manufacturing and Other Expenses	3	99	5,044.85		4,806.11
7. Employee Separation Compensation Amortised			3.17		3.89
8. Borrowing Costs (net)	4	99	128.88		94.39
			5,176.90		4,904.39
9. Depreciation			313.83		273.88
10. TOTAL EXPENDITURE				5,490.73	5,178.27
PROFIT BEFORE TAX				1,175.87	748.13
11. PROVISION FOR TAX					
(a) Current			230.19		229.72
(b) Deferred			(22.02)		5.32
(c) Fringe Benefit Tax			3.30		5.05
				211.47	240.09
PROFIT AFTER TAX				964.40	508.04
12. BALANCE BROUGHT FORWARD				1,106.21	844.50
13. AMOUNT AVAILABLE FOR APPROPRIATIONS				2,070.61	1,352.54
14. APPROPRIATIONS :					
(a) Proposed Dividend				211.25	172.08
(b) Tax on Dividend				35.90	29.25
(c) General Reserve				95.00	45.00
(d) Balance carried to Balance Sheet				1728.46	1,106.21
				2,070.61	1,352.54
15. EARNINGS PER SHARE (Rupees) (Note 4, Page 112) (Face value per share- Rs. 10)					
(a) Basic				43.51	23.62
(b) Diluted				38.52	20.93
16. Notes on the Balance Sheet and Profit and Loss Account	N	107			

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants,NALIN M. SHAH
Partner

Mumbai, 24th June, 2008.

For N. M. RAIJI & CO.
Chartered Accountants,J. M. GANDHI
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RAJIV CHANDANFor and on behalf of the Board
Chairman
Vice-Chairman
Managing DirectorExecutive VP & CFO
Company Secretary & Head Legal

Mumbai, 24th June, 2008

TATA CHEMICALS

Sixty-ninth annual report 2007-2008

Tata Chemicals Limited

Consolidated Cash Flow Statement for the year ended 31st March , 2008

	Rupees in Crores 2007-08	Rupees in Crores 2006-07
A Cash Flow from Operating Activities		
Net Profit before Tax	1,175.87	748.13
Adjustments for :		
Foreign Exchange (Gain) / Loss on Borrowings	(77.76)	(25.01)
Employee Separation Compensation Amortisation	3.40	3.89
Depreciation	313.83	273.88
Borrowing Cost (net)	128.88	119.40
Amortisation of Capital Grant	(6.34)	(2.74)
Profit on sale of investments	(478.02)	(3.21)
Investment income	(88.72)	(91.95)
Provision for doubtful debts and advances	-	(3.76)
Provision for employee benefits	7.83	26.38
Reduction in carrying cost of current investments	-	0.89
Exchange difference (including on Consolidation)	24.12	(57.38)
Loss on assets sold or discarded	3.22	4.48
Operating Profit before Working Capital Changes	1,006.31	993.00
Adjustments for :		
Trade and other receivables	(168.75)	(200.40)
Inventories	(221.54)	63.15
Trade payables, other liabilities and provisions	473.03	272.09
Payment towards employee separation compensation	(1.19)	(1.28)
Cash Generated from Operations	1,087.86	1,126.56
Taxes paid	(283.60)	(214.42)
Net Cash from Operating Activities	804.26	912.14
B Cash Flow from Investing Activities		
Acquisition of fixed assets	(247.36)	(531.98)
Proceeds on sale of fixed assets	2.89	11.61
Proceeds on sale of current investments	13,883.73	2,760.61
Purchase of current investments #	(13,492.00)	(2,988.50)
Purchase of other investments	(73.24)	(2.71)
Proceeds from sale of other long term investments	517.38	5.14
Acquisition of Subsidiaries	(4,032.56)	-
Interest received	9.30	1.69
Dividend received	85.17	90.58
Net Cash used in Investing Activities	(3,346.68)	(653.56)

Consolidated Cash Flow Statement for the year ended 31st March , 2008

	Rupees in Crores 2007-08	Rupees in Crores 2006-07
C Cash Flow from Financing Activities		
Repayment of borrowings	(434.23)	(453.76)
Proceeds of borrowings	3,814.96	500.88
Interest paid	(144.05)	(92.29)
Principal Payments on Capital lease obligations	-	(10.25)
Foreign exchange loss realised	(5.17)	-
Dividends paid including distribution tax	(200.96)	(171.57)
Net Cash used in Financing Activities	3,030.55	(226.99)
Net Increase/ (Decrease) in Cash and Cash equivalents	488.13	31.58
Cash and Cash equivalents as at 1st April	154.46	116.47
(Opening Balance)		
Add: Cash and bank balance taken over acquisition	32.10	-
Exchange difference on translation of foreign currency and cash equivalents	2.03	6.38
Cash and Cash equivalents as at 31st March	676.72	154.46
(Closing Balance)		

Note : During the current year Foreign Currency Convertible Bonds of Rs.395.18 crores were converted into shares. Accordingly shares of face value of Rs. 18.90 crores were issued at a premium of Rs.376.28 crores.

Includes Rs. 308.45 crores received against subsidy receivable.

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants,

NALIN M. SHAH
Partner

For N. M. RAIJI & CO.
Chartered Accountants,

J. M. GANDHI
Partner

Mumbai, 24th June, 2008.

R. N. TATA
R. GOPALAKRISHNAN
H. R. KHUSROKHAN
P. K. GHOSE
RAJIV CHANDAN

For and on behalf of the Board
Chairman

Vice-Chairman

Managing Director

Executive VP & CFO

Company Secretary & Head Legal

Mumbai, 24th June, 2008

TATA CHEMICALS

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Tata Chemicals Limited

Schedules forming part of the Consolidated Profit and Loss Account

Schedule 1 : Sales and Operating Income

(Item No.1, page 95)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Sales and services:			
(a) Sales (net of excise duty) (note 7, page 114)		5,975.72	5,753.79
(b) Processing charges		5.96	9.42
		5,981.68	5,763.21
2. Operating income:			
(Item No.2, page 95)			
(a) Town income		1.44	1.49
(b) Liabilities no longer required - written back		19.45	16.94
(c) Insurance claims		4.81	4.90
(d) Miscellaneous income		15.77	17.10
		41.47	40.43

Schedule 2 : Other Income

(Item No.3, page 95)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Income from Long Term Trade Investments (Gross):			
(a) Dividend income	37.62		64.60
(b) Profit on sale of investments	487.47		2.42
		525.09	67.02
2. Income from Current Investments :			
(a) Dividend income	47.56		25.98
(b) Interest Income	3.55		1.37
(c) Profit/(Loss) on Sale of Investments	(9.46)		0.79
(d) Changes in carrying amount of current investments	-		(0.89)
		41.65	27.25
3. Interest on Refund of Taxes		-	3.48
		566.74	97.75

Schedule 3 : Manufacturing and Other Expenses

(Item No.6, page 95)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1. Raw materials consumed:		2,062.13	1,932.01
2. Cost of traded goods purchased		310.00	407.12
3. Payments to and provisions for employees:			
(a) Salaries, Wages and Bonus	336.22		312.84
(b) Contribution to Provident and other Funds	107.26		(0.72)
(c) Contribution to group insurance scheme	0.04		0.03
(d) Workmen and staff welfare expenditure	34.23		35.88
		477.75	348.03

Schedules forming part of the Consolidated Profit and Loss Account (Contd.)

Schedule 3 : Manufacturing and Other Expenses (Contd.)

(Item No.6, page 95)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
4. Operation and other expenses:			
(a) Stores and spare parts consumed	62.18		90.39
(b) Packing materials consumed	152.67		154.07
(c) Power and fuel	938.73		763.96
(d) Repairs - Buildings	8.08		10.12
- Machinery	184.30		174.16
- Others	7.98		6.14
(e) Rent	64.10		60.24
(f) Royalty, rates and taxes	22.20		20.39
(g) Excise duty adjustment for stocks	(0.37)		(0.13)
(h) Commission, discount and distributors' service charges	58.18		59.27
(i) Sales promotion expenses	48.06		37.87
(j) Insurance charges	22.64		24.05
(k) Freight and forwarding charges	489.50		460.29
(l) Lease rent	5.00		3.01
(m) Loss on assets sold or discarded (net)	3.22		4.48
(n) Doubtful debts and advances - written (back)	*		(3.76)
(o) Other expenses	199.88		230.08
	2,266.35		2,094.63
Less: Expenditure transferred to capital account	0.14		0.09
		2,266.21	2,094.54
5. Directors' fees/commission		3.88	2.94
		5,119.97	4,784.64
6. Change in inventory of semi finished and finished products and work-in-process:		(75.12)	21.47
		5,044.85	4,806.11

Schedule 4 : Borrowing Costs (net)

(Item No.8, page 95)

	Rupees in crores	Rupees in crores	Previous year Rupees in crores
1 Interest paid on:			
(a) Debentures and fixed loans	104.59		55.94
(b) Other loans	14.52		38.40
(c) Others	0.60		-
		119.71	94.34
2 Discounting charges		16.83	1.88
3 Interest received on:			
(a) Inter-corporate loans and bank deposits	5.83		0.01
(b) Other Advances	1.83		1.82
		7.66	1.83
Net Borrowing Costs (1 + 2 - 3)		128.88	94.39

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Tata Chemicals Limited

Schedules forming part of the Consolidated Balance Sheet

Schedule A : Share Capital

[Item No.1(a), page 94]

	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Authorised:		
27,00,00,000 Ordinary Shares of Rs.10 each (previous year 27,00,00,000 Ordinary Shares of Rs.10 each)	270.00	270.00
	270.00	270.00
2. Issued:		
23,40,80,176 Ordinary Shares of Rs.10 each (31 March, 07 21,51,88,971 Ordinary Shares of Rs.10 each)	234.08	215.18
	234.08	215.18
3. Subscribed:		
23,39,93,856 Ordinary Shares of Rs.10 each (31 March, 07 21,51,02,651 Ordinary Shares of Rs.10 each)	234.00	215.10
4. Forfeited Shares:		
Amount paid-up on 86,320 shares	0.06	0.06
	234.06	215.16

Schedule B : Reserves and Surplus

[Item No.1(b), page 94]

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Capital reserve:		0.66	0.66
Balance as per last account			
2. Capital redemption reserve:		0.10	0.10
Balance as per last account			
3. Surplus on amalgamation:		20.75	20.75
Balance as per last account			
4. Securities premium:			
(a) Balance as per last account	181.89		178.32
Add :			
(b) Premium on redemption of FCCB (Note 10(b), page 115)	376.29		-
(c) Reversal of provision of redemption premium on conversion of FCCBs	90.72		-
(d) Revaluation of redemption premium on outstanding FCCBs (Note 10(c), page 115)	3.51		3.57
		652.41	181.89
5. Foreign currency translation reserve:			
(a) Balance as per last account	20.77		(32.35)
(b) Add : Net adjustment during the year	(60.04)		53.12
		(39.27)	20.77
6. General reserve:			
(a) Balance as per last account	780.82		746.75
(b) Less : Employee benefits	-		(10.93)
(c) Add : Transferred from Profit and Loss Account	95.00		45.00
		875.82	780.82
7. Debenture redemption reserve:			
Balance as per last account		245.46	245.46
8. Balance in Profit and Loss Account		1,728.46	1,106.21
		3,484.39	2,356.66

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule C : Loans - Secured

[Item No.3(a), page 94]

Loans :

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1 From Banks : Cash Credits		27.70	27.30
2 From Financial Institution : Term Loan		615.52	834.77
		643.22	862.07

Schedule D : Loan Funds - Unsecured

[Item No.3(b), page 94]

Short-term loans and advances :

	Rupees in crores	As at 31-Mar-07 Rupees in crores
(a) From Banks :		
Buyer's credits (Repayable within one year)	89.96	349.93
Others	102.10	-

Other loans and advances :

(Repayable within one year Rs. Nil, 31 March, 2007 Rs. Nil)

	Rupees in crores	As at 31-Mar-07 Rupees in crores
(a) From Banks :	3,312.52	-
(b) From others :		
Foreign Currency Convertible Bonds - FCCBs (Note 10 (a), page 115)	201.11	652.20
6.44% Senior Notes due in 2017	501.56	-
	702.67	652.20
	4,207.25	1,002.13

Tata Chemicals Limited

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule E : Fixed Assets

[Item No.6, page 94]

Fixed Assets (At Cost)	Rs. in crores									
	Gross Block as at 1-Apr-07	Additions / Adjustments#	Deductions / Adjustments	Exchange Fluctuations	Gross Block as on 31-Mar-08	Depreciation for 2007-08	Exchange Fluctuations	Total Depreciation 31-Mar-08	Impairment	Net Block as at 31-Mar-08
1. Land :										
(a) Freehold	76.69	7.16	-	(4.79)	79.06	-	-	-	0.17	78.89
	70.04	0.48	0.28	6.45	76.69	-	-	-	0.16	76.53
(b) Leasehold	19.44	62.43	-	(0.43)	81.44	0.40	(0.22)	5.88	-	75.56
	19.67	-	0.70	0.47	19.44	0.37	0.29	5.69	-	13.75
2. Works :										
(a) Saltworks,Reservoirs and Pans	39.56	2.93	-	(0.35)	42.14	3.74	(0.31)	34.91	-	7.23
	37.44	4.73	3.06	0.45	39.56	6.24	0.39	31.49	-	8.07
(b) Plant and Machinery	4,732.85	378.25	11.25	(73.18)	5,026.67	251.82	(24.95)	2,698.59	96.36	2,231.72
	3,992.27	633.99	26.48	133.07	4,732.85	233.62	75.01	2,478.24	96.36	2,158.25
(c) Traction Lines and Railway Sidings	164.69	49.54	-	(11.60)	202.63	21.55	(1.39)	50.53	0.28	151.82
	43.64	119.62	1.49	2.92	164.69	6.49	1.05	30.58	0.28	133.83
(d) Buildings	390.51	112.59	0.26	(8.29)	494.55	12.65	(5.25)	169.38	8.85	316.32
	360.59	16.99	2.53	15.46	390.51	11.15	8.35	162.18	8.85	219.48
3. Other Buildings	193.32	6.90	0.99	(2.14)	197.09	3.44	(1.44)	52.36	-	144.73
	192.09	1.87	3.41	2.77	193.32	3.30	1.80	50.75	-	142.57
4. Water Works	7.82	-	-	-	7.82	0.12	-	6.79	-	1.03
	8.31	-	0.49	-	7.82	0.13	-	6.68	-	1.14
5. Furniture,Fitting and Office Equipment	119.18	22.02	3.31	(2.81)	135.08	16.39	(1.06)	73.44	0.10	61.54
	85.90	33.33	4.07	4.02	119.18	7.91	2.61	60.91	0.10	58.17
6. Vehicles	37.36	1.77	3.07	(1.54)	34.52	3.60	(0.79)	23.61	0.11	10.80
	35.70	7.69	7.45	1.42	37.36	4.57	0.92	23.34	0.11	13.91
7. Patents(license fees), marks and rights	0.84	-	-	0.04	0.88	0.12	0.09	0.21	-	0.67
	0.59	0.25	-	-	0.84	0.10	-	0.10	-	0.74
8. Mines & Quarries	-	24.87	-	-	24.87	-	-	-	-	24.87
Total	5,782.26	668.46	18.88	(105.09)	6,326.75	313.83	(35.32)	3,115.70	105.87	3,105.18
	4,846.24	818.95	49.96	167.03	5,782.26	273.88	90.42	2,849.96	105.86	2,826.44

1. The figures in light print are for Previous Year.

2. # Addition to fixed assets include an amount of Rs.432.24 crores arising out of acquisition of General Chemicals Industrial Products Inc, USA.

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule F : Investments

(Item No.8, page 94)

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores	As at 31-Mar-07 Rupees in crores
A LONG TERM INVESTMENTS				
Trade Investments :				
1. Fully paid Ordinary/Equity Shares (Quoted):		145.71		136.02
2. Fully paid Ordinary/Equity Shares (Unquoted)*:		147.45		147.19
3. Fully paid Cumulative Redeemable Preference Shares (Unquoted) :		49.00		-
4. Fully paid Cumulative Redeemable Preference Shares (Quoted) :		29.38		45.00
TOTAL		371.54		328.21
Less: Provision for Diminution in value of investments		0.25		0.25
TOTAL LONG TERM INVESTMENTS (net)		371.29		327.96
B CURRENT INVESTMENTS				
1. Quoted Equity Shares, Fully Paid :		*		*
2. Unquoted Equity Shares , Fully Paid :		0.25		0.25
3. Quoted Bonds/units :		23.95		23.55
4. Unquoted units :		21.93		0.12
TOTAL CURRENT INVESTMENTS		46.13		447.30
TOTAL INVESTMENTS		417.42		775.26
	Book Value Rupees in crores	Market Value Rupees in crores	Book Value Rupees in crores	Market Value Rupees in crores
Aggregate of Quoted Investments	198.79	1,006.16	159.32	1,190.98
Aggregate of Unquoted Investments	218.63	—	615.94	—

* value below Rs.50,000/-

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Tata Chemicals Limited**Schedules forming part of the Consolidated Balance Sheet (Contd.)****Schedule G : Inventories**
(Item No.10 (a), page 94)

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1 Stores and spare parts, packing materials		197.64	145.71
2 Stock-in-Trade :			
(a) Raw materials	355.99		215.49
(b) Work-in-process	13.82		9.73
(c) Semi-finished and finished products	362.71		264.24
		732.52	489.46
		930.16	635.17

Schedule H : Sundry Debtors
(Item No.10 (b), page 94)
(unsecured)

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Over six months old :			
- Considered good	283.57		230.59
- Considered doubtful	25.60		26.07
		309.17	256.66
2. Others :			
- Considered good		916.37	735.90
- Considered doubtful		0.77	-
		1,226.31	992.56
Less : Provision for doubtful debts		26.37	26.07
		1,199.94	966.49

[Including subsidy receivable of Rs.473.06 crores
(March 31, 2007 Rs. 565.19 crores)]

Schedule I : Cash and Bank Balances
[Item No.10 (c), page 94]

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Cash on hand		0.70	0.09
2. Balance with banks in			
(a) Current accounts		422.27	130.69
(b) Deposit accounts		253.75	23.68
		676.72	154.46

Schedules forming part of the Consolidated Balance Sheet (Contd.)

Schedule J : Loans and Advances

(Item No.10 (d), page 94)
(unsecured)

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Deposits with Government, public bodies and others :			
(a) Balances with Customs,Port Trusts ,Excise etc.		19.36	21.46
(b) Others		4.53	5.00
2. Advance payment of taxes (net of provision)		99.10	44.88
3. Interest accrued on Investments		1.28	0.66
4. Other advances			
- Considered good	497.21		186.18
- Considered doubtful	1.39		1.37
	498.60		187.55
Less: Provision for doubtful advances	1.39		1.37
		497.21	186.18
		621.48	258.18

Schedule K : Current Liabilities

[Item No.11 (a), page 94]

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Acceptances		343.92	193.78
2. Sundry creditors		1,521.42	842.84
3. Sundry deposits		29.88	24.55
4. Pension payable on Employee Seperation Scheme		3.62	4.81
(Note 18 (a), page 118)			
5. Interest accrued but not due on loans		12.92	18.77
6. Other Liabilities		21.79	23.45
		1,933.55	1,108.20

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Tata Chemicals Limited**Schedules forming part of the Consolidated Balance Sheet (Contd.)****Schedule L : Provisions**

(Item No.11 (b), page 94)

	Rupees in crores	Rupees in crores	As at 31-Mar-07 Rupees in crores
1. Proposed dividend		211.25	172.08
2. Tax on dividend		35.90	29.25
3. Provision for premium on redemption of FCCBs		42.01	136.25
(Note No. 10, page 115)			
4. Provision for site restoration Expenditure			
(a) Balance as per last accounts	12.57		
(b) Add: Net adjustment during the year	93.93		
		106.50	40.28
5. Provision for Tax (net of advances)		57.49	53.37
6. Provision for employee benefits		626.84	382.31
		1079.99	813.54

Schedule M : Miscellaneous Expenditure

(Item No.13, page 94)

(to the extent not written off or adjusted)

	Rupees in crores	As at 31-Mar-07 Rupees in crores
Employee separation scheme	0.53	3.70
	0.53	3.70

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account

1) Basis of Consolidation

The consolidated financial statements relate to Tata Chemicals Limited (the Company), its subsidiary companies and joint ventures. The company, its subsidiaries and joint ventures constitute the Group.

a) Basis of Accounting :

- I. The financial statements of the subsidiary companies and Joint ventures used in the consolidation are drawn upto the same reporting date as of the Company, i.e. for the year ended 31 March, 2008.
- II. The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

b) Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary Companies have been consolidated on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit and losses as per applicable Accounting Standards in India.
- II. Interests in joint ventures have been accounted by using the proportionate consolidation method as per applicable Accounting Standards in India. The intra-group balances and intra group transactions and unrealised profits and losses are eliminated to the extent of the Company's proportionate share.
- III. The excess of the cost to the company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investment in subsidiary companies and joint ventures is made is recognised in the financial statements as "Goodwill on Consolidation".
- IV. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- V. The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.

c) Particulars of subsidiaries and joint ventures :

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2008
Subsidiaries		
Homefield International Pvt. Limited	Mauritius	100%
Wyoming 1 (Mauritius) Pvt. Limited*	Mauritius	100%
Tata Chemicals Asia Pacific Pte. Limited	Singapore	100%
Homefield Pvt. UK Limited	United Kingdom	100%
Brunner Mond Group Limited	United Kingdom	100%
Brunner Mond (UK) Limited	United Kingdom	100%
Brunner Mond Limited	United Kingdom	100%
The Magadi Soda Company Limited, Kenya	United Kingdom	100%
Brunner Mond (South Africa) Pty Limited,	South Africa	100%
Northwich Resource Management Limited,	United Kingdom	100%
Brunner Mond Generation Limited,	United Kingdom	100%
Transcontinental Holdings Limited,	United Kingdom	100%
Magadi Railway Company Limited,	Kenya	100%
Brunner Mond B.V.,	Netherlands	100%
Wyoming 2 (Mauritius) Pvt. Limited,*	Mauritius	100%
Gusiute Holdings (UK) Limited,*	United Kingdom	100%

Tata Chemicals Limited**Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2008
Valley Holdings Inc.,*	United States of America	100%
General Chemical Industrial Products Inc.,*	United States of America	100%
General Chemical International Inc.,*	United States of America	100%
NHO Canada Holdings Inc.,*	United States of America	100%
General Chemical (Soda Ash) Inc.,*	United States of America	100%
Bayberry Management Corporation,*	Netherlands	100%
General Chemicals (Soda Ash) Partners LLC.,*	United States of America	100%
General Chemical (Great Britain) Limited,*	United Kingdom	100%
General Chemical Canada Holding Inc.,*	Canada	100%

*Companies which became subsidiaries during the year.

Joint Ventures

Indo Maroc Phosphore S. A.	Morocco	33.33%
Lake Natron Resources Limited	Tanzania	50.00%
Khet-Se Agri Produce India Pvt. Limited*	India	50.00%
Alcad*	United States of America	50.00%
Kemax B.V.	Netherlands	49.99%

* Joint ventures entered during the year

2 Significant Accounting Policies :**(a) Basis of Accounting**

The accounts of the group are prepared under the Historical Cost Convention using the accrual method of accounting.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets

Fixed Assets are carried at cost less depreciation, amortisation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset.

Fixed Assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in project cost till commissioning of the project.

(d) Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest on qualifying assets.

(e) Foreign Currency Transactions

- (i) Purchases and sales in foreign currency are accounted at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the Balance Sheet date are translated at rates prevailing at the year end and the resultant net gains or losses are recognised as income or expense in the year in which they arise, except that on consolidation of non-integral foreign operations, the assets, liabilities and goodwill arising on acquisition of the company's overseas operations are translated at the exchange rate prevailing on the balance

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

sheet date and item of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising on consolidation are recognised in the Foreign Exchange Translation Reserve until the disposal of the net investment.

- (ii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contract. Foreign currency options outstanding at the Balance Sheet date are stated at fair value and any gains or losses are recognised in the Profit and Loss Account.

(f) Deferred Capital Grants

Government grants relating to tangible fixed assets are treated as deferred income and included in the Profit and Loss account over the expected useful life of the assets concerned.

(g) Investments

Long term investments are carried at cost, less provision for diminution, other than temporary, in value of such investments. Current investments are carried individually, at lower of cost and fair value.

(h) Inventories

Inventories are valued at lower of cost on weighted average basis (except for two of our foreign subsidiaries which are on FIFO basis constituting 22.2% (previous year 18.23%) of the total inventory value) and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress, semi-finished and finished products include appropriate proportion of overheads and, where applicable, excise duty.

(i) Employee Separation Compensation

- (i) Compensation paid / payable to employees who have opted for retirement under "Voluntary Retirement Scheme" / "Early Separation Scheme" is amortised over the period for which benefit is expected.
- (ii) Liability under "Early Separation Scheme" is computed and accounted at Net Present Value.

(j) Sales

Sales are recognised, net of returns and trade discounts, on despatch of goods to customers. Sales tax and Value Added Tax are excluded. In respect of Urea, sales are recognised based on provisional rates of group concession as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by management based on the norms prescribed or notified under the said Scheme. In case of complex fertilisers, other than traded goods, sales includes price concession, as notified under the Concession Scheme, or as estimated by the Management based on the norms prescribed. In case of traded complex fertilisers, revenue is accounted to the extent they are recoverable under the terms of contract with vendors.

(k) Other Income

Interest income is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.

(l) Research and Development Expenses

Revenue expenditure pertaining to Research and Development is charged to the Profit and Loss Account. Expenditure on fixed assets used in Research and Development is capitalised.

(m) Depreciation

- (i) Depreciation on fixed assets is provided at the rates determined on straight line method over the useful life estimated by the management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher.
- (ii) Leasehold land is amortised over the duration of lease.

(n) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Tata Chemicals Limited**Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)****(o) Employee Benefits**

Employee benefits consists of Provident Fund, Superannuation Fund, Gratuity Fund, compensated absences, long service award and post retirement medical benefits. Provident fund is considered as defined benefit plan.

(i) Post-employment benefit plans

Payments to defined contribution retirement benefit schemes for eligible employees in the form of Superannuation Fund are charged as an expense as they fall due.

For defined benefit schemes in the form of gratuity fund and post retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The Company makes contribution towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

(ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

The cost of compensated absences is accounted as under -

- (a) in case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) in case of non - accumulating compensated absence when the absences occur.

(iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

- (iv) In respect of overseas subsidiary, the pension scheme liabilities are based upon the liabilities determined on the basis of actuarial valuation. Actuarial gains and losses are recognised in the Profit and Loss account .

(p) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provision is determined based on the local tax laws. Deferred tax is recognised for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date.

(q) Derivative Contracts

The Group enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Derivative contracts which are closely linked to the underlying transaction are recognised in accordance with the contract terms. All other contracts are marked-to-market and losses are recognised in the Profit and Loss Account. Gains arising on the same on grounds of prudence are not recognized.

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(r) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised.

(s) Goodwill on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the investee company at the time of acquisition and the cost of investment made. The said goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and impairment loss, if any is provided for.

(t) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policy 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. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(u) Borrowing costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets / Investments are amortised and charged to Profit and Loss Account, over the tenure of the loan.

3 Segment Information for the year ended 31st March, 2008 :

(a) Information about Primary Business Segments

(Rs. in crores)

	Inorganic Chemicals		Fertiliser		Others		Elimination		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Revenue :										
External										
(Net of Excise)	3,316.10	3,146.34	2,790.11	2,750.27	9.72	10.68	(92.77)	(103.65)	6,023.15	5,803.64
Inter-segment	16.65	14.36	-	-	-	-	(16.65)	(14.36)	-	-
Total Revenue	3,332.75	3,160.70	2,790.11	2,750.27	9.72	10.68	(109.42)	(118.01)	6,023.15	5,803.64
Result :										
Segment Result	303.83	544.26	370.62	262.08	9.72	10.68	(13.02)	-	671.15	817.02
Unallocated Income net of Unallocated Expenditure									550.81	25.50
Borrowing Costs (net)									(46.09)	(94.39)
Profit before Tax									1,175.87	748.13
Provision for Tax									(211.47)	(240.09)
Profit After Tax									964.40	508.04

Other Information :

(Rs.in crores)

	Inorganic Chemicals		Fertiliser		Unallocated		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Segment Assets	8,532.76	3,728.33	1,929.96	1,975.27	1,454.95	966.51	11,917.67	6,670.11
Segment Liabilities	4,147.82	1,849.84	583.97	310.96	3,467.43	1,937.49	8,199.22	4,098.29
Capital Expenditure	630.98	429.21	47.26	41.75	26.77	18.70	705.01	489.66
Depreciation	202.03	162.81	109.15	109.03	2.65	2.04	313.83	273.88
Non-cash Expenses other than Depreciation	3.17	3.89	-	-	-	-	3.17	3.89

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Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

(b) Information about Secondary Geographical Segments

Revenue by geographical market

(Rs.in crores)

	India		Europe		Africa		America		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
External	4,075.63	3,985.02	1,355.68	1,365.03	684.61	557.24	-	-	6,115.92	5,907.29
Inter-segment	-	-	-	-	(92.77)	(103.65)	-	-	(92.77)	(103.65)
Total	4,075.63	3,985.02	1,355.68	1,365.03	591.84	453.59	-	-	6,023.15	5,803.64
Segment Assets	3,838.67	3,748.90	1,262.72	1,850.42	1,941.77	1,070.78	4,874.51	-	11,917.61	6,670.11
Capital Expenditure	153.17	119.64	87.05	115.19	7.27	254.83	457.52	-	705.01	489.66

(c) Notes:

(i) Management has identified two reportable business segments, namely :

- Inorganic Chemicals : - comprising of Soda Ash, Salt, Marine Chemicals, Caustic Soda, Cement and Bulk Chemicals.
- Fertiliser : - comprising of Urea, Phosphatic fertilisers and other agricultural inputs.

Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.

(ii) The Segment Revenue in the geographical segments considered for disclosure are as follows :

- India : comprising of sales originating from India.
- Europe : comprising of sales originating in Europe.
- Africa : comprising of sales originating in Africa
- America- Comprising of sales originating 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.

4 Earnings per Share :

		2007-08	2006-07
(a) Profit after tax	Rs.in crores	964.40	508.04
(b) The weighted average number of equity shares of Rs.10 each			
Total number of shares	Nos.	22,16,72,327	21,51,02,651
(c) Earning Per Share (Basic)	Rupees	43.51	23.62
(d) Profit after tax for Basic EPS	Rs.in crores	964.40	508.04
(e) Add: Borrowing cost for Foreign Currency Convertible Bonds (net of exchange gains/(losses) & taxes)	Rs.in crores	(26.63)	1.50
(f) Profit after tax for Diluted EPS	Rs.in crores	937.77	509.54
(g) The weighted average number of equity shares for Basic EPS	Nos.	22,16,72,327	21,51,02,651
(h) Add: Adjustments for Foreign Currency Convertible Bonds	Nos.	2,18,01,474	2,83,71,176
(i) The weighted average number of equity shares for Diluted EPS	Nos.	24,34,73,801	24,34,73,827
(j) Earning Per Share (Diluted)	Rupees	38.52	20.93

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

5 Related Party Disclosure :

(a) Related Party and their relationship

Joint Ventures

Indo Maroc Phosphore S. A., Morocco

Kemex B.V., Netherlands
(indirectly through Brunner Mond
Group Limited, UK)

Lake Natron Resources Limited, Tanzania

Khet-Se Agri Produce India Pvt. Ltd., India

Alcad, USA
(indirectly through Valley Holdings Inc., USA)

Key Management Personnel

Mr. Homi Khusrokhani, Managing Director

(b) Transactions with the related parties

(Rs.in crores)

	Joint Ventures - Kemex	Joint Ventures - Indo Maroc Phosphore S.A., Morocco	Khet-se Agri Produce India Pvt. Ltd.	Key Management Personnel - Mr. Homi Khusrokhani (previous year Mr. Prasad R. Menon)	Total
Purchase of goods (includes stock in transit)	- -	135.75 205.35	- -	- -	135.75 205.35
Amount Received (in respect of loans)	- -	- -	- -	- 0.16	- 0.16
Amount Payable (in respect of goods purchased)	- -	- 33.74	- -	- -	- 33.74
Amount receivable in respect of loans	1.29 1.15	- -	- -	- -	1.29 1.15
Amount payable in respect of loans	- -	- -	- -	- -	- -
Provision / (Receipt) of management services	(7.56) (9.49)	- -	- -	- -	(7.56) (9.49)
Loans given	4.44 4.78	- -	- -	- -	4.44 4.78
Amounts received / receivable on account of any Management Contracts including for deputation of employees	- -	0.31 0.36	0.27 -	- -	0.58 0.36

In addition to the above, remuneration is paid to Key Management Personnel, under their contract of employment with the Company (Note 2, page 59).

The figures in light print are for previous year.

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Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

6 Deferred Taxes :

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

(Rs.in crores)

	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-08	As at 31-Mar-07
	Deferred Tax Liability		Deferred Tax Asset	
Deferred Tax Assets :				
Provision for doubtful debts and advances	8.54	8.51	-	-
Provision for Pension	9.45	6.96	103.00	95.06
unabsorbed depreciation	-	-	110.70	109.70
Other timing differences	9.19	9.16	-	-
	27.18	24.63	213.70	204.76
Deferred Tax Liability :				
Depreciation	290.55	315.85	-	-
Accelerated capital allowances	20.23	-	161.76	147.20
Other timing differences	36.82	-	0.97	-
	347.60	315.85	162.73	147.20
Net deferred tax asset/(liability)	(320.42)	(291.22)	50.97	57.56

7 Sales include subsidy income of Rs. 1,240.89 crores (previous year Rs. 1,079.35 crores)

8 Employee Benefit Obligations :

- (i) Tata Chemicals Limited makes contribution towards provident fund to a defined benefit retirement plan and towards superannuation fund to a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.
- (ii) Brunner Mond Group Limited, operates pension arrangements in United Kingdom (UK), Netherlands and Africa. The UK and Netherlands arrangements are defined benefit schemes and the arrangements in Africa are defined contribution schemes. Staff costs of BMGL includes charge on account of increase in pension liabilities of Rs. 34.54 crores (previous year Rs. 40.53 crores written back on account of decrease in pension liabilities).

9 The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures included in the consolidated financial statements are given below:-

(Rs.in crores)

PARTICULARS	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Kemex B.V.		ALCAD		Lake Natron Resources Limited	
Country of Incorporation	India		Morocco		Netherlands		United States of America		Tanzania	
Percentage of ownership interest	50.00%		33.33%		49.99%		50.00%		50.00%	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
LIABILITIES										
Loan Funds	-	N/A	1.07	18.92	4.44	4.78	-	-	-	-
Current Liabilities	1.48	N/A	147.19	63.12	1.13	1.42	3.69	N/A	-	-
ASSETS										
Fixed Asset-Net Block	2.92	N/A	104.29	125.97	4.24	4.30	-	-	-	-
Current Assets	0.44	N/A	207.23	67.87	5.29	4.69	5.18	N/A	*	*

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

PARTICULARS	(Rs.in crores)									
	Khet-se Agriproduce India Pvt. Ltd.		Indo Maroc Phosphore S. A.		Kemex B.V.		AICAD		Lake Natron Resources Limited	
	India		Morocco		Netherlands		United States of America		Tanzania	
	50.00%		33.33%		49.99%		50.00%		50.00%	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
INCOME										
Sales and Operating income	0.16	N/A	293.51	274.04	8.62	8.88	-	N/A	-	-
EXPENDITURE										
Manufacturing and other expenses	1.94	N/A	211.77	216.47	7.65	7.30	-	N/A	-	-
Interest expense (net)	*	N/A	2.68	1.41	0.17	0.11	-	N/A	-	-
Depreciation	0.01	N/A	28.72	28.25	0.73	0.79	-	N/A	-	-
Provision for Tax	0.01	N/A	9.33	3.90	0.04	0.37	-	N/A	-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(1.79)	N/A	41.01	24.01	0.11	0.31	-	N/A	-	-
CONTINGENT LIABILITIES	0.08	N/A	-	-	-	-	-	N/A	-	-
CAPITAL COMMITMENTS	1.89	N/A	-	-	-	-	-	N/A	-	-

- 10 (a) During the year 2004-05, the Company had issued Foreign Currency Convertible Bonds (FCCBs) of a face value of USD 1000 each aggregating to USD 150 million. As per the terms of the issue, the holders have an option to convert the FCCB into Ordinary Shares at a conversion rate of Rs. 231.375 per Ordinary Share at a fixed exchange rate conversion of Rs. 43.65 = USD 1, from 13th March, 2005 to 22nd January, 2010. The conversion price is subject to certain adjustments for Corporate actions and consequently the conversion price has changed to Rs.230.78 per ordinary share. Further, under certain conditions the Company has an option of early redemption in whole but not in part. Unless previously converted, redeemed or purchased and cancelled, the Company will redeem these bonds at 120.89 per cent of the principal amount on 1st February, 2010.
- b) During the year 2007-08, the Company got notices for conversion of USD 99.879 million FCCBs into ordinary shares at a conversion price of Rs.230.78 per ordinary share at a fixed exchange rate of Rs.43.65 = USD1. Pursuant to this, the Company has issued 1,88,91,205 Ordinary share of Face Value Rs.10.
- (c) Exchange gain of Rs 3.51 crores on account of year end translation of liability denominated in foreign currency, relating to premium on redemption of FCCBs has been credited to the Securities Premium account. In the previous year, exchange gain of Rs. 3.57 crores was Credited to the Securities Premium Account.
- 11 Provision for premium on redemption of Foreign Currency Convertible Bonds (FCCBs)

	(Rs.in crores)	
	As at 31-Mar-2008	As at 31-Mar-2007
Opening Balance	136.25	139.82
Add / (Less) :- Exchange difference	(90.72)	-
Closing Balance	(3.52)	(3.57)
	42.01	136.25

Premium payable on redemption of FCCBs issued has been fully provided and debited to Securities Premium Account.

Tata Chemicals Limited**Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**

- 12** In March 2008, the Company through its wholly owned overseas subsidiaries acquired 100% equity interest in General Chemicals Industrial Products Inc., a premier natural Soda Ash Manufacturing Company in USA. Subsequent to the transfer of shares the process of which was completed on March 26, 2008, GCIP has become wholly owned subsidiary. The financial position and results included in the consolidated financial statements is as given below:

**PARTICULARS @
LIABILITIES**

Loan Funds

**As at
31-Mar-08****1,505.41**

Capital Grant

-

Current Liabilities

679.49

Deferred Tax Liabilities (Net)

42.18**ASSETS**

Goodwill on consolidation

3,917.21

Fixed Asset-Net Block

457.52

Deferred Tax Asset (Net)

-

Current Assets

512.63**INCOME**

Sales and Operating income

-

EXPENDITURE

Manufacturing and other expenses

-

Interest Expense (Net)

-

Depreciation

-

Provision for Tax

-

PROFIT/(LOSS) AFTER TAX FOR THE PERIOD

-

@ The above mentioned financial details for the subsidiary acquired is inclusive of the proportionate share of assets, liabilities, income and expenses of the joint venture company Alcad, USA

13 Derivative Instruments :

- (a) As on March 31, 2008, the Group has the following derivative instruments outstanding:

- (i) Forward currency exchange contracts USD-INR amounting to USD 22.42 million for the purpose of hedging its exposures to foreign currency loans (previous year USD 56.95 million)
- (ii) Forward currency exchange contracts USD- INR amounting to USD 54.36 million for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 15.98 million)
- (iii) Currency options contracts USD- INR amounting to USD 65 million with an intent to hedge its exposures to foreign currency loans (previous year USD 169.26 million). FCCB outstanding as on 31st March, 08 is USD 50 million.
- (iv) Currency options contracts USD-INR amounting to USD Nil for the purpose of hedging its exposures to foreign currency acceptances (previous year USD 11.00 million)
- (v) Full Currency Swap to hedge against fluctuations in exchange rates USD 25 million (previous year Notional principal USD Nil)
- (vi) Cross Currency Swap to hedge against fluctuations in exchange rates and Interest rates USD 475 million (previous year Notional principal USD Nil)
- (vii) Interest rate swap to hedge the floating interest rate liability on the term loan to fixed GBP 20 million (previous year GBP 20 million)
- (viii) Interest rate swap to hedge the floating interest rate liability on the debt profile anticipated for the Magadi Non-Recourse Finance to fixed rate.
- (ix) Interest rate swap was purchased with an intent to swap the floating interest rate liability on the term loan, to fixed GBP 25 million (previous year GBP nil)

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

- (b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:
- (i) Export receivables USD 5.85 million (previous year USD 1.20 million)
 - (ii) Export receivables Eur 1.6 million
 - (iii) Export receivables DKK 0.1 million
 - (iv) Loans and advances USD 59.24 million (previous year USD 97.60 million)
 - (v) Acceptances USD 31.35 million (previous year USD 17.59 million)
 - (vi) Accounts payable USD NIL (previous year USD 10.36 million)
 - (vii) Accounts payable Eur 0.02 (previous year Eur 0.00 million)
 - (viii) Liability arising out of cross currency swap USD 475 million (previous year USD Nil).
 - (ix) Cash and cash equivalent Eur 2.6 million
 - (x) Cash and cash equivalent USD 0.04 million
- 14** (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 262.56 crores (previous year Rs.220.22 crores)
- (b) Capital commitment towards investment in joint venture Khet-Se Agri Produce India Private Limited : Rs. 48 crores (previous year Rs.53 crores)
- (c) Capital commitment towards investment in proposed project at Mozambique : Rs.0.40 crores(previous year Rs. Nil)

15 Contingent Liabilities :

(a) Guarantees:

- (i) Bank Guarantees issued by Banks on behalf of the Group Rs. 69.00 crores Kolkata Port Trust (previous year Rs.67.60 crores). These are covered by the charge created in favour of the Company's bankers by way of hypothecation of stocks and debtors.
- (ii) The Group has extended guarantees to cover liabilities under the Senior Debt Facility Agreement entered into by various group companies. At 31 March 2008, these guarantees covered indebtedness of £60.4 million (previous year - £59.6 million) under the Senior Facility Agreements.
- (iii) Bank Guarantees issued by Banks on behalf of the Group Rs. 0.08 crores (previous year Rs. Nil). These are covered by the charge created in favour of the Group's bankers by way of Fixed deposit.

(b) Claims not acknowledged by the Company relating to the following areas :

(Rs.in crores)

	As at 31-Mar-08	As at 31-Mar-07
(i) Excise and Customs	112.34	38.97
(ii) Sales Tax	34.86	57.05
(iii) Demand for utility charges	57.80	50.61
(iv) Labour and other Legal matters	6.21	6.78
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	52.39	59.97
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	41.88	67.80

- (c) Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.
- (d) Bills discounted by Company Rs. 14.79 crores (previous year Rs. Nil)
- 16** In respect of Magadi Soda Ash Company Limited, an overseas subsidiary, Kenyan Revenue Authority (KRA) on 19 March 2008 raised a demand of the tax previously deferred and KRA is of the view that the corporation tax for the period 2003 to 2005 is payable and has levied interest and penalties on the unpaid principal amounting to KShs 1,042 million. Management has disputed this claim. Management has taken legal advice on this issue which is the subject of a court dispute and are of the

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Tata Chemicals Limited

Schedule N : Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)

opinion that the corporation tax is not payable until the capital allowances granted are exhausted. The contingent corporation tax liability is therefore disclosed in these accounts due to the materiality of the amounts involved.

(Rs.in crores)

	As at 31-Mar-08	As at 31-Mar-07
17 (a) Total of minimum lease payments	335.35	201.57
The total of minimum lease payments for a period:		
Not later than one year	74.91	20.91
Later than one year and not later than five years	160.62	66.35
Later than five years	96.64	114.31
(b) Lease payments recognised in the statement of profit and loss for the year	28.18	40.49
(c) The lease deposit of Rs. 25 crores for plant and machinery remaining with the lessors is provided over the useful life of the asset and consequently a net amount of Rs. 2.18 crores (previous year Rs.2.17 crores) has been to the Profit and Loss Account on the principle of matching of revenue and costs.		
(d) In respect of Brunner Mond Group Limited, a subsidiary, as on March 31,2008 plant and machinery includes assets held under finance lease with a net book value of Rs. 64.46 crores and gross book value of Rs. 73.21crores. The future minimum lease payments under finance lease is as follows-		
(i) Not later than one year- Rs. 13.53 crores		
(ii) Later than one year but not later than five years- Rs.28.65 crores		
18 (a) Provision for compensation under Employee Separation Scheme (ESS) has been calculated on the basis of the net present value of the future monthly payments of pension.		
(b) The amount shown under Miscellaneous Expenditure on this account represents the balance amount to be amortised over the future years.		
(c) An amount of Rs.0.51 crore (previous year Rs.0.64 crore) is payable under the scheme within one year.		
19 During the year Company has incurred Rs.36.17 crores as borrowing cost towards the External Commercial Borrowing and out of the same Rs 0.09 Crs has been charged to revenue as borrowing cost and the balance would be amortised over the tenure of the loan.		
20 Asterisk denotes figures below Rs.50,000.		
21 Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements.		
22 Previous years' figures have been regrouped wherever necessary.		

Signatures to Schedules '1' to '4', 'A' to 'M', Notes to Accounts.

R. N. TATA	For and on behalf of the Board
R. GOPALAKRISHNAN	Chairman
H. R. KHUSROKHAN	Vice-Chairman
P. K. GHOSE	Managing Director
RAJIV CHANDAN	Executive VP & CFO
	Company Secretary & Head Legal

Mumbai, 24th June, 2008

TATA CHEMICALS LIMITED

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

ATTENDANCE SLIP

Folio No.	
DP ID	
Account ID	
No. of Shares	

I hereby record my presence at the SIXTY - NINTH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 3.00 p.m. on Monday, August 04, 2008.

Signature of the attending Member/Proxy	
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- Notes:** 1. A Member/Proxyholder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.

**TATA CHEMICALS LIMITED**

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

PROXY

I/We of in the district of being a Member/Members of the above named Company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company, to be held on Monday, August 04, 2008 at 3.00 p.m. and at any adjournment thereof.
Signed this day of 2008

Signature	Affix Re. 0.15 Revenue Stamp	
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Folio No.	
DP ID	
Account ID	
No. of Shares	

This form is to be used *in favour of the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.
 *against

*Strike out whichever is not desired.

- Note:** 1. The proxy must be returned so as to reach the Registered Office of the Company, Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. A Proxy need not be a member of the Company.

NOTES

NOTES



Things you didn't know about Tata Chemicals

Tata Chemicals introduced India to iodised salts

Its 5.5 million tonnes per annum capacity makes Tata Chemicals the world's second largest manufacturer of soda ash

The Babrala facility was commissioned in 36 months - a world record for a fertiliser plant. Its township is ISO 14001 and OHSAS 18001 certified

Mithapur is the first industrial township to be awarded the ISO 14001 certificate

Lake Magadi in Kenya is a self-replenishing proven trona reserve with a projected life of 100 years

With a 60 square kilometre area, Mithapur is one of the largest integrated salt works and chemicals complexes in the world

Tata Salt has been ranked the Number One food brand in India by Economic Times

Babrala is the most energy efficient plant in India and amongst the best globally

Selected
Business
Superbrand
INDIA 2008
Industry Validated



TATA CHEMICALS LIMITED

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

Tel 9122 6665 8282 Fax 9122 6665 8144

Website: www.tatachemicals.com email: corporate_communications@tatachemicals.com