



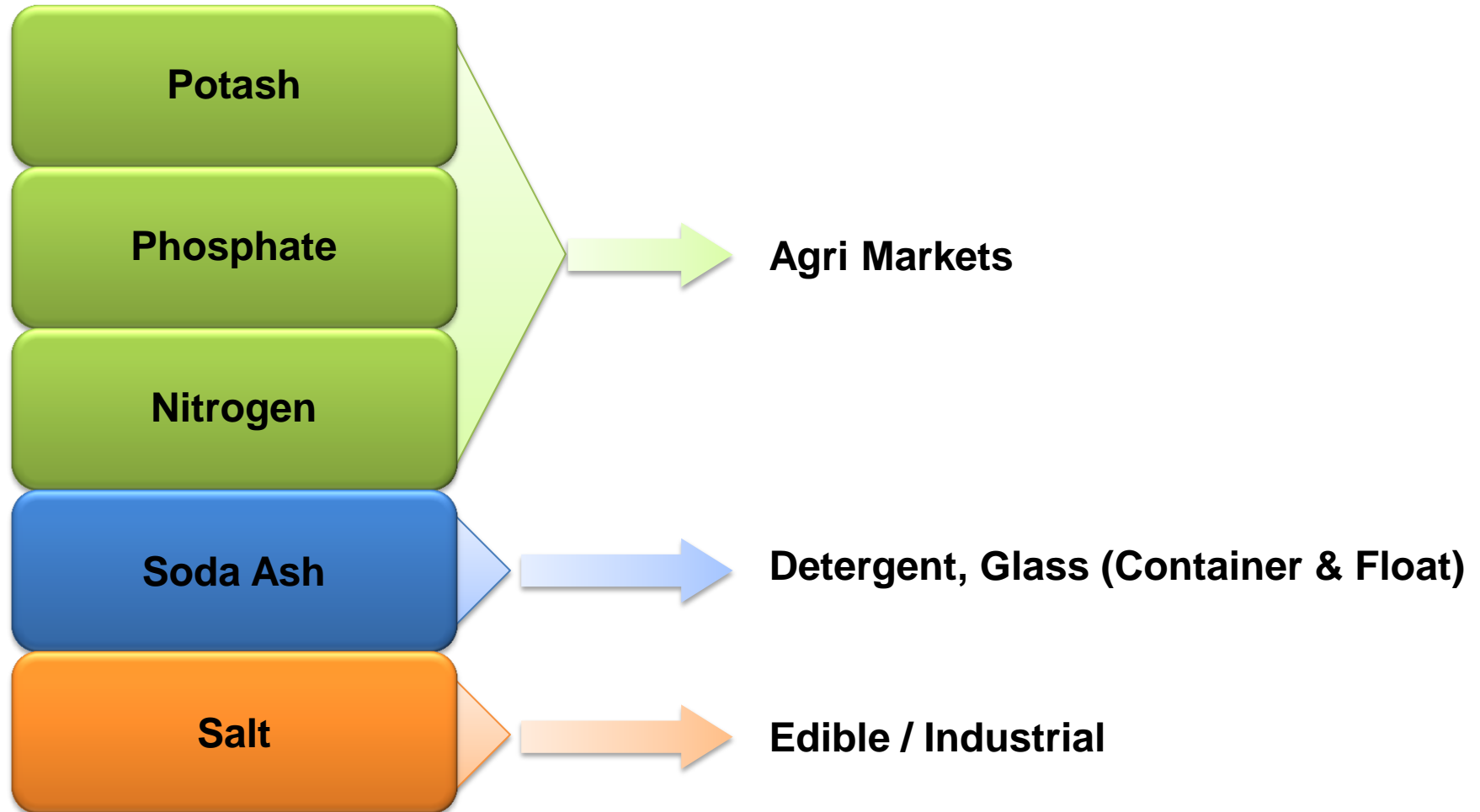
TATA CHEMICALS LIMITED

"Serving Society through Science"

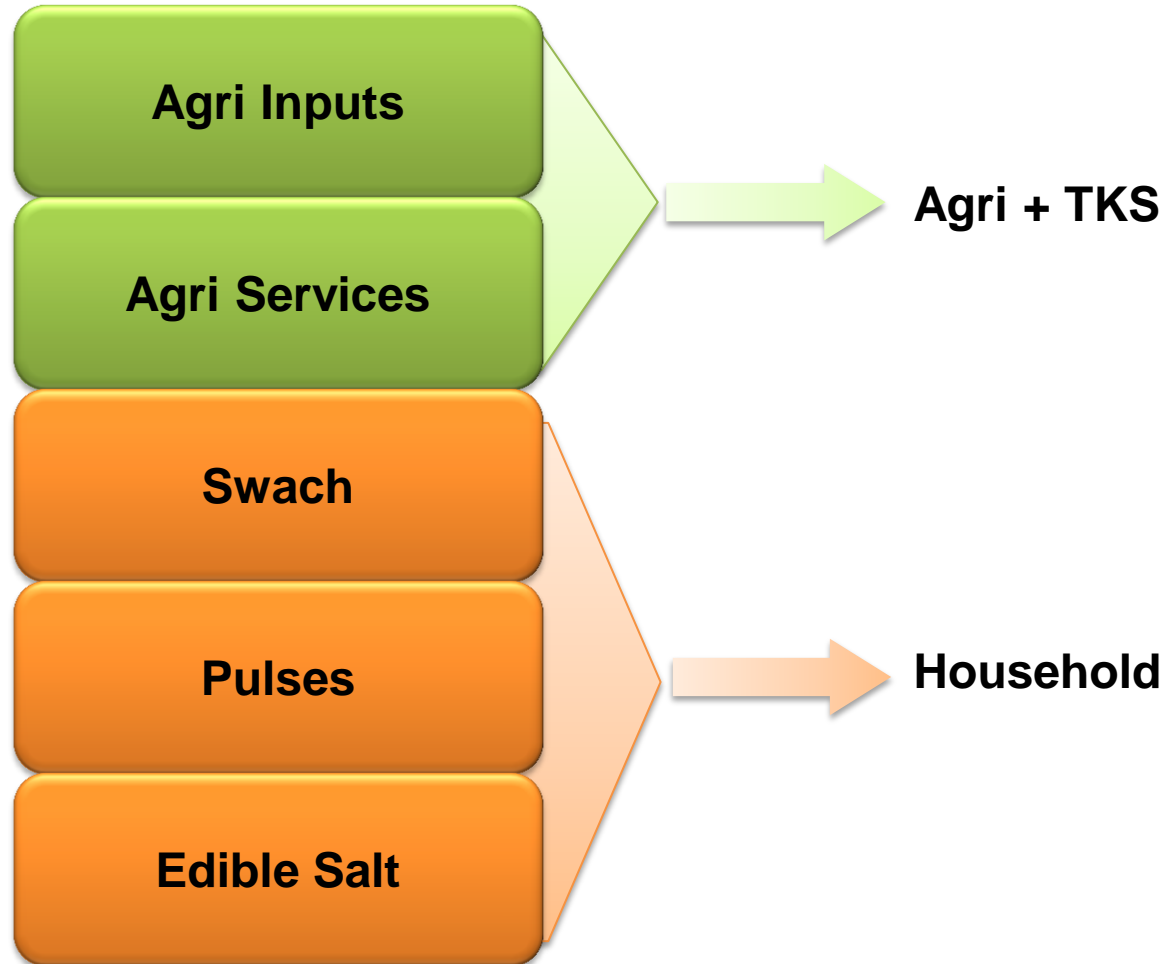


Business Perspectives

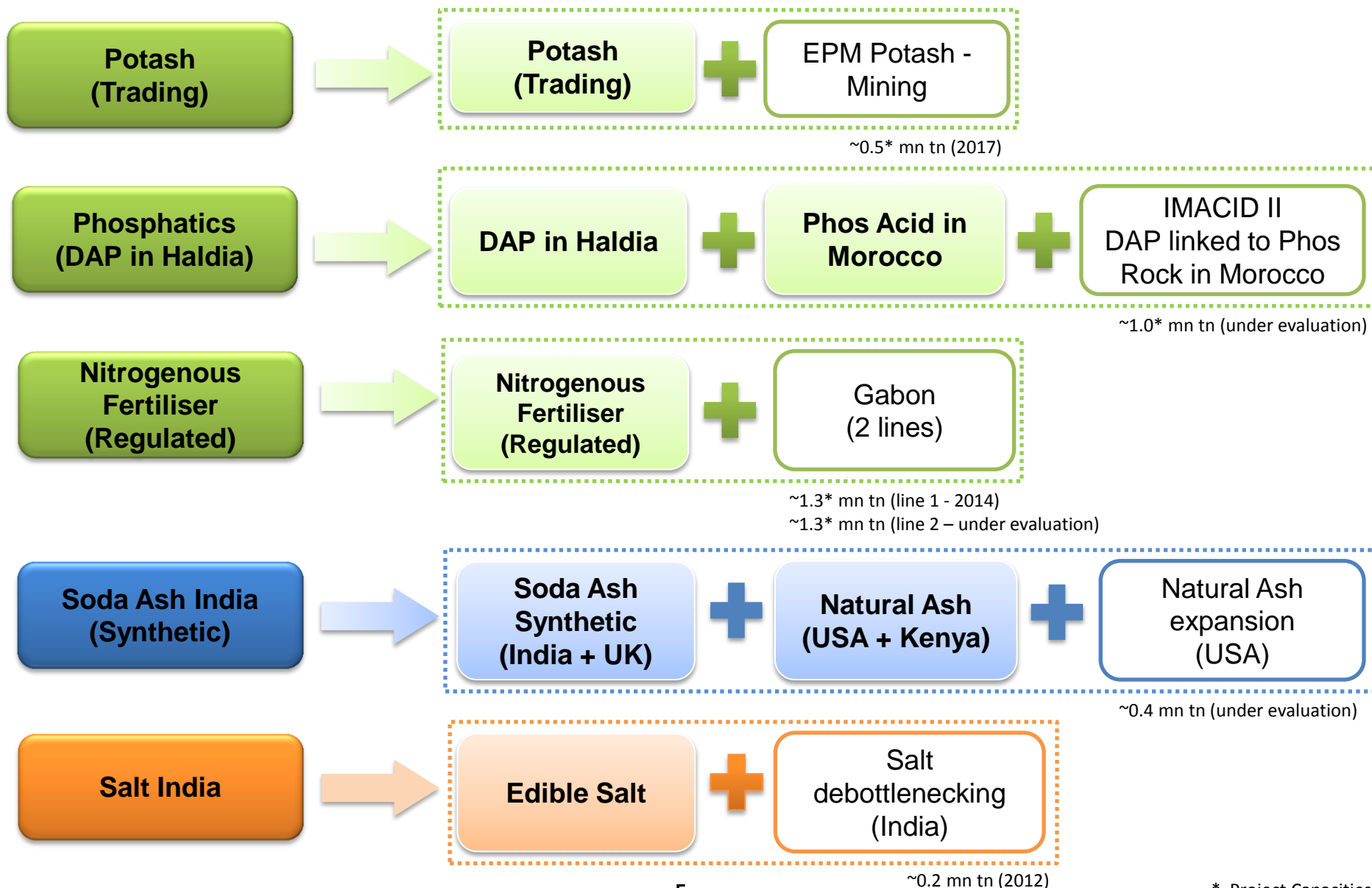
Low Cost Resource Base



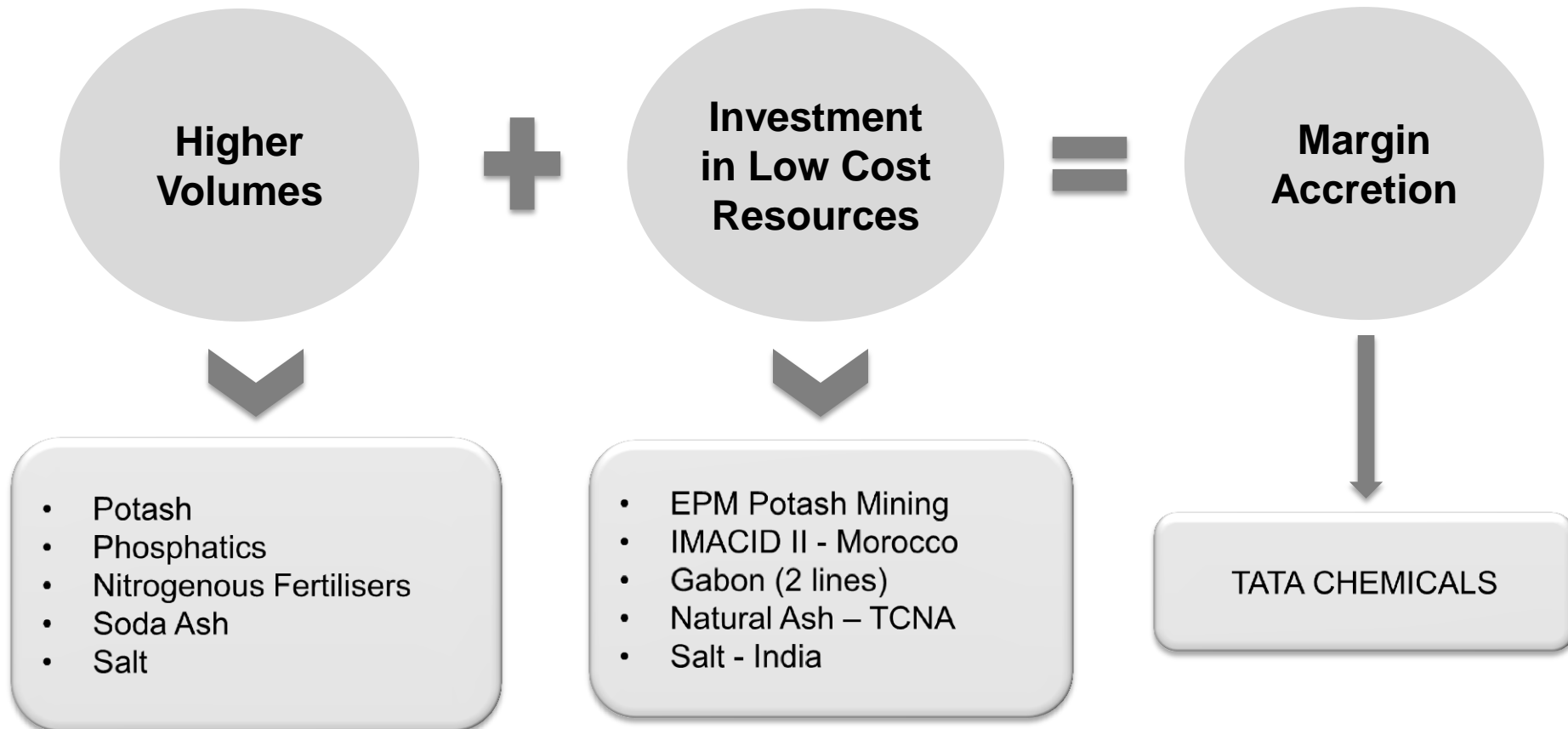
Distribution Based Businesses in India



Evolving as a Low Cost Resource Play



Evolving as a Low Cost Resource Play



The NATURAL Advantage



Mithapur - Salt



Tata Chemicals Magadi – Natural Soda Ash



Tata Chemicals North America – Natural Soda Ash

The NATURAL Advantage



Tata Chemicals Europe (British Salt) - Brine



IMACID, Morocco – Rock Phosphate



Gabon Fertiliser Unit – low energy cost – potential to be one of the lowest cost urea manufacturing facilities in the world

Extensive and Efficient Distribution

Rural

Pesticides

Fertilisers

**Specialty & Customised
Fertiliser**

TKS

Pan India network of
2252 distributors and
40,045 retailers

Strong reach to rural
markets **150 districts**
across **7 states**. **700+**
dealers and **1.2 lakhs**
villages covered

700+ franchise retail
outlets

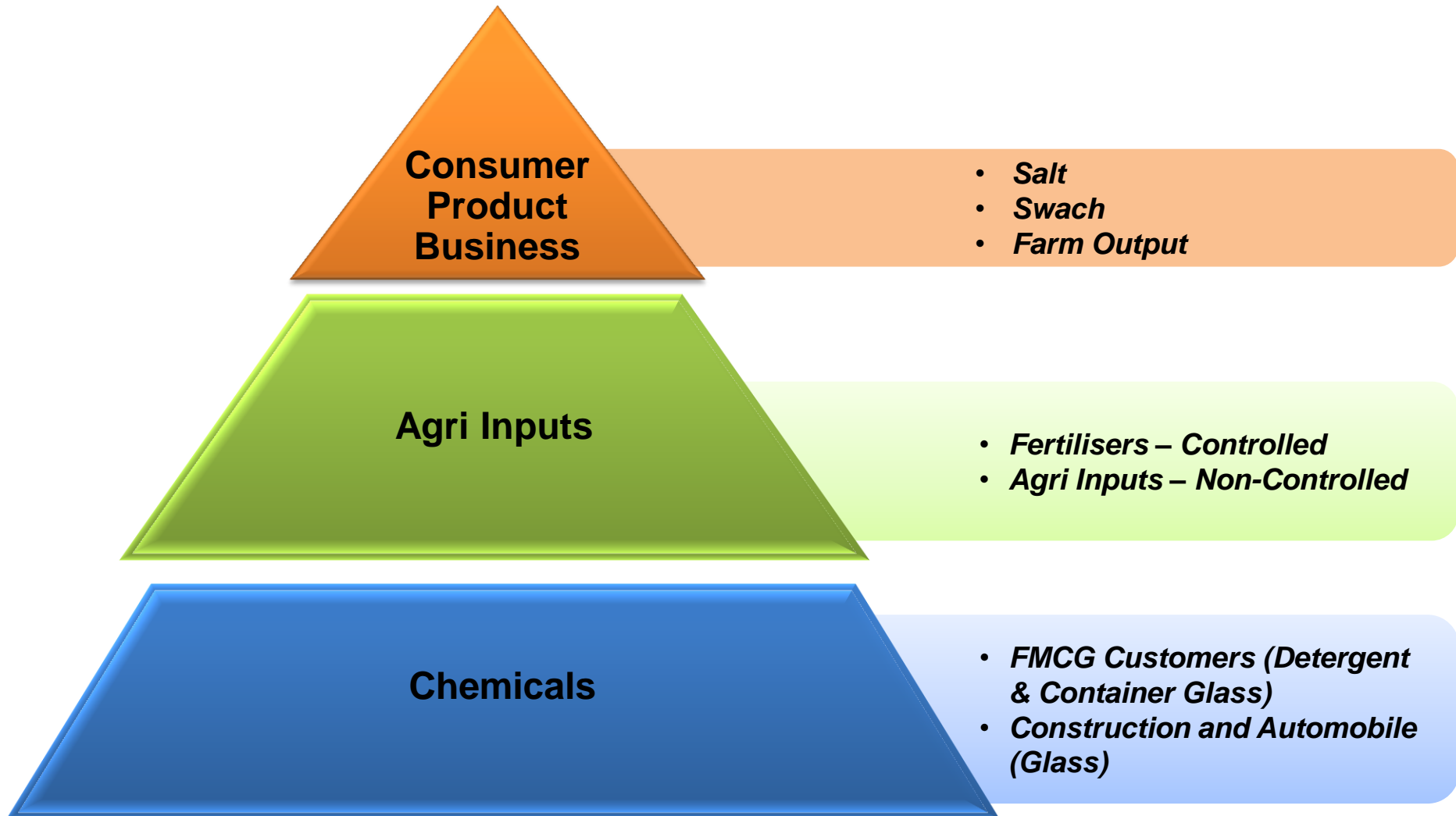
Urban

**Edible and Industrial
Salt**

Swach & Pulses

Pan India reach to
~6.5 crore
households
through **11.3 lakh**
retail outlets

Customer Profile





**Consumer
Product
Business**

- **Salt**
- **Swach**
- **Farm Output**

Agri Inputs

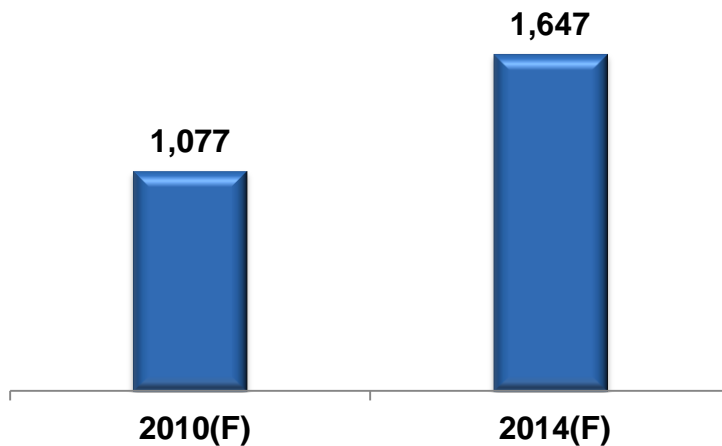
- *Fertilisers – Controlled*
- *Agri Inputs – Non-Controlled*

Chemicals

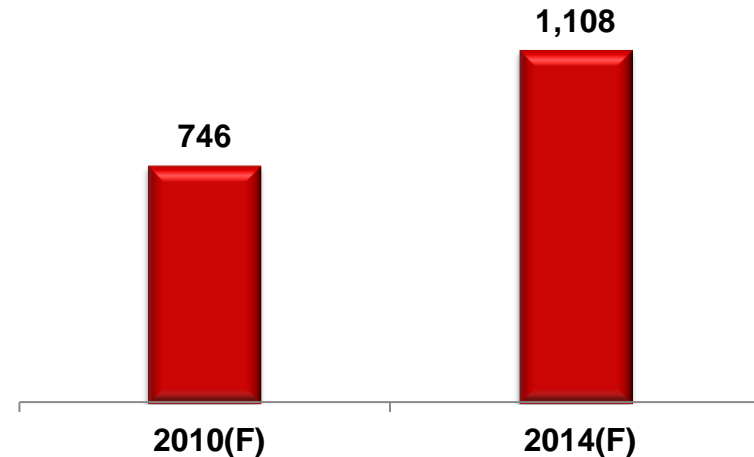
- *FMCG Customers (Detergent & Container Glass)*
- *Construction and Automobile (Glass)*

Consumption Growth - India

**Rising Disposable Income
(Per Capita USD)**



**Consumption Growth
(Per Capita USD)**



Source: EIU

Opportunity for sustainable growth by meeting demand through products backed by technology and Innovation

Consumer Products Business

- ❑ Tata Chemicals is the market leader with 62% market share in the Edible salt national branded segment
 - ❑ Tata Salt holds the number one position with market share of about 46.5% - reaches ~6.5 crore households every month through 11.3 lakh outlets
 - ❑ I-Shakti market share at about 17% of national branded category - reaches close to 5 lakh outlets across India



ICIS award



- ❑ Additional 200K TPA capacity expected by March 2012 (estimated cost: ₹ 80 crore)
- ❑ Tata Swach a path breaking innovation – available at price points of ₹ 1,199 and ₹ 899 – replacement bulbs at ₹ 349
- ❑ Tata Swach sales at 414,000 units
- ❑ Available across 9 states

**STABLE & RECESSION
PROOF BUSINESS**

Consumer Products Business – i-Shakti Pulses

- ❑ India's first National brand of pulses – “*i-Shakti dals*” - launched 4 popular varieties of pulses (Chana, Toor, Urad & Moong)
- ❑ i-Shakti dals sales at over 1,000 tonnes for FY2011
- ❑ Currently present in 3 states - to be rolled out to over 12 states during FY2012



Tata Chemicals' 'Farm to Fork' approach

- ❑ **Farm:** Strong linkages with the farmer through expansive & well entrenched networks of Tata Kisan Sansars and Rallis Kutumba (catering to 3 million farmers)
- ❑ **Fork:** Established food retail presence through Tata Salt and I Shakti covering a total of around 1.8 million outlets
- ❑ Thrust on offering quality and hygienic pulses at an affordable price
- ❑ Endeavoring to work closely with state governments across the country. Presently working on the Tamil Nadu government's Grow More Pulses Program with Rallis

Consumer
Product
Business

- *Salt*
- *Swach*
- *Farm Output*

Agri Inputs

- ***Fertilisers – Controlled***
- ***Agri Inputs – Non-Controlled***

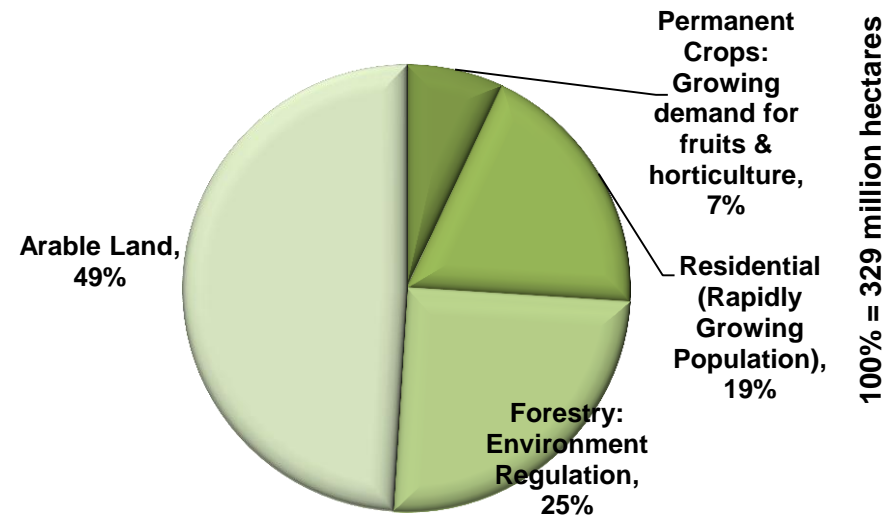
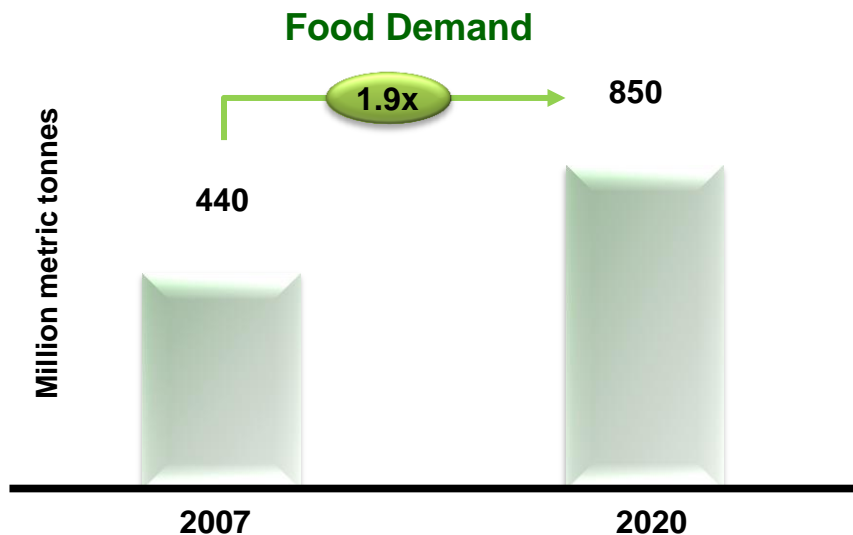
Chemicals

- *FMCG Customers (Detergent & Container Glass)*
- *Construction and Automobile (Glass)*

Agri Growth Indicators

Food demand to grow with rising population and increasing awareness of nutrition needs

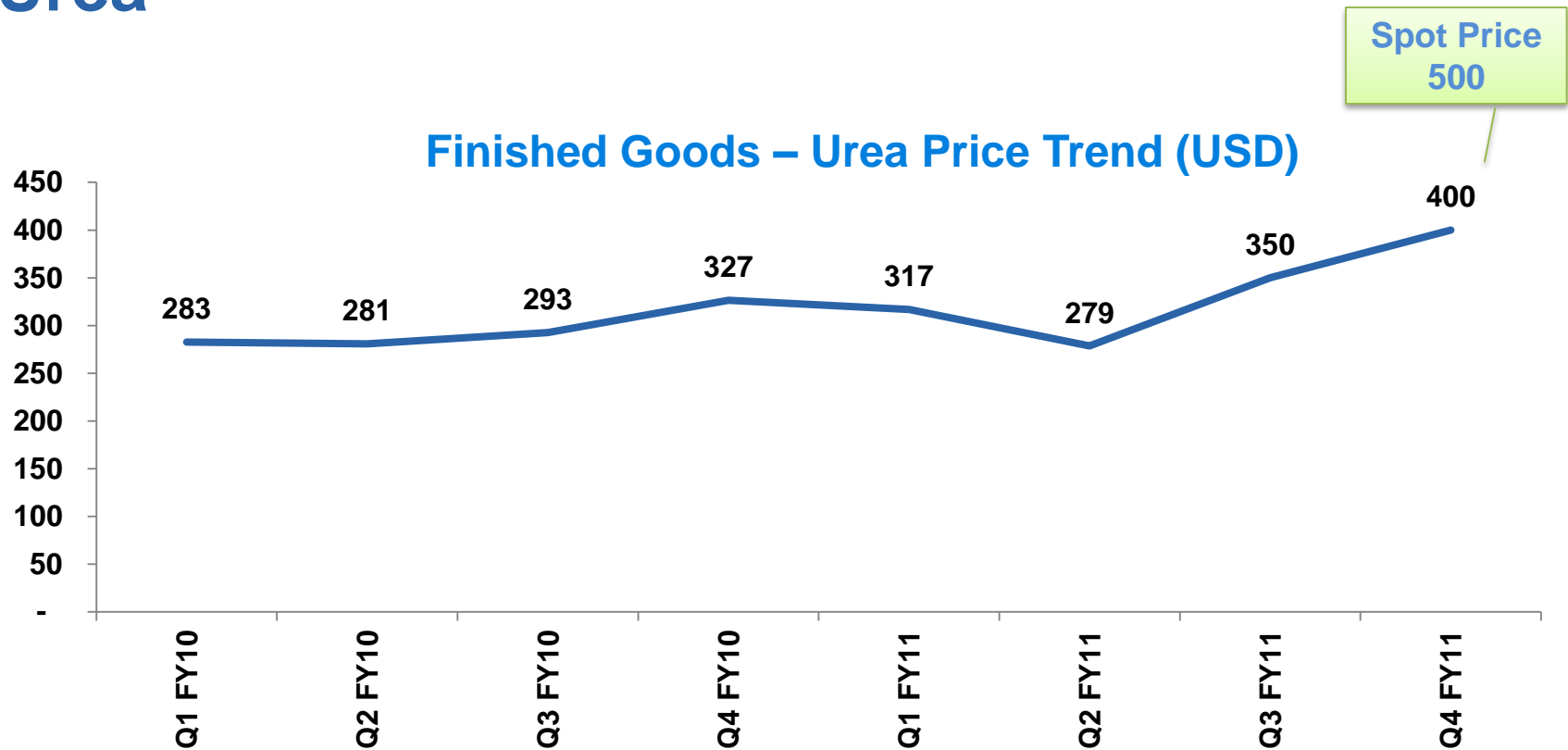
... and given competing uses, land under cultivation cannot increase significantly



Source – ICRIER; NSSO, Ministry of Statistics, McKinsey Study

At 49%, India has the one of the largest proportion of arable land

Urea

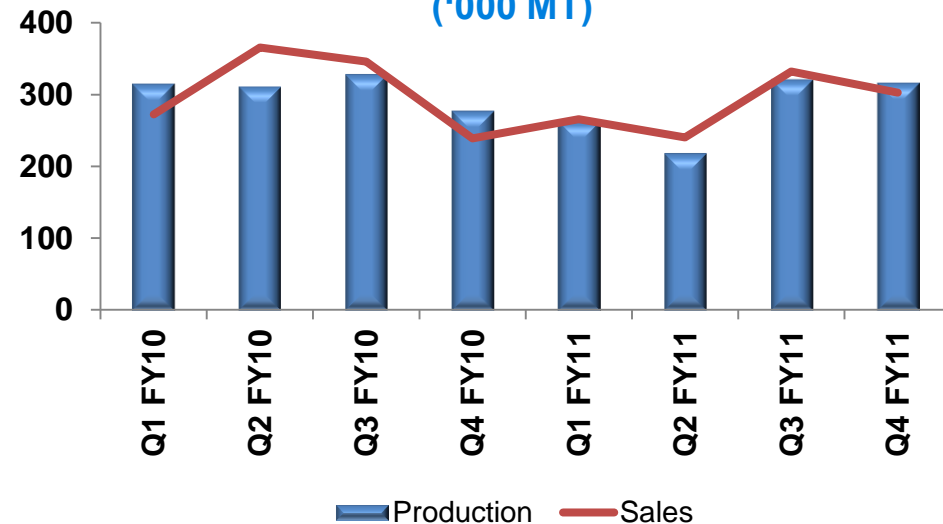


Source: Industry Estimates – Prices FOB Arabian Gulf

International prices ranging between ~USD 275 to ~USD 500

Production & Deliveries

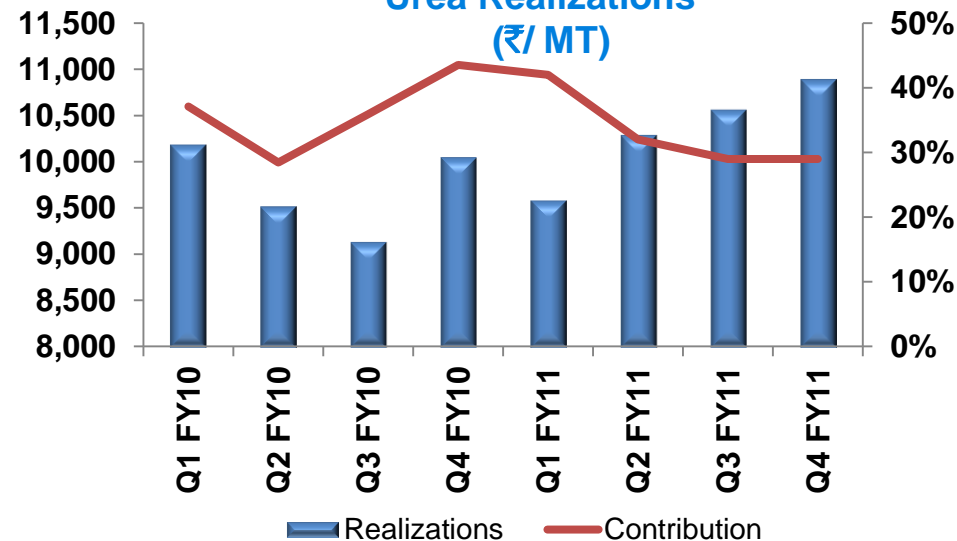
Urea Production & Sales Volumes
(‘000 MT)



- Babrala II – Currently on hold, awaiting policy clarity on gas allocation and pricing

- Plant operating at full capacity utilization
- Urea de-bottlenecking of 50-100K tonnes under review

Urea Realizations
(₹/ MT)



**STABLE & RECESSION PROOF
BUSINESS**

Republic of Gabon (RoG)



RoG Snapshot

- ❑ An oil rich country in Equatorial West Africa
- ❑ Spread across 267,667 kms
- ❑ Population: 1.5 million
- ❑ Economy dominated by oil & mining
- ❑ Third highest GDP in Sub-Saharan Africa: USD 14,000 (2009 est.)
- ❑ Sovereign Rating similar to Philippines: BB- (S&P)

Key Investment Highlights

- ❑ Entered into a competitive fixed price feedstock agreement with RoG to ultimately set-up 2 streams of 1.3 MTPA Urea - Execution activity at Stream 1 commenced and expected to be commissioned in 36 months
- ❑ Time schedule for stream 2 execution to be mutually decided by Olam, RoG & TCL over next 24-36 months
- ❑ Olam, RoG and TCL to setup a sales and marketing JV for selling entire output. Olam and TCL to hold equal stake. Up to 25% of the output reserved for Indian markets (subject to de-canalization in India)
- ❑ TCL to provide Project Management Consultancy and O&M services
- ❑ Due diligence on gas reserves underway

Funding

- ❑ Strategic investment of USD 290 million to acquire 25.1% stake in stream 1 to set-up Greenfield port-based ammonia-urea Fertiliser manufacturing complex in Republic of Gabon (RoG) - Balance share held by RoG (12%) & Olam (62.9%)
- ❑ Funding through:
 - ❑ USD 82 million raised by the preferential share allotment to Tata Sons
 - ❑ Sale of Investments worth USD 68 million over the next three years
 - ❑ Debt funding of USD 140 million

Project Highlights

Strategically located
near Gabon's main
sea port

Leveraging Olam's
network for developing
local Urea markets at
higher realizations

**Potentially a low
cost Urea
manufacturing
facility globally**

10 Year Tax holiday
after commencement of
commercial production
and 10% concessional
rate thereafter

Expected yearly
EBITDA of USD 300–
350 Million per stream

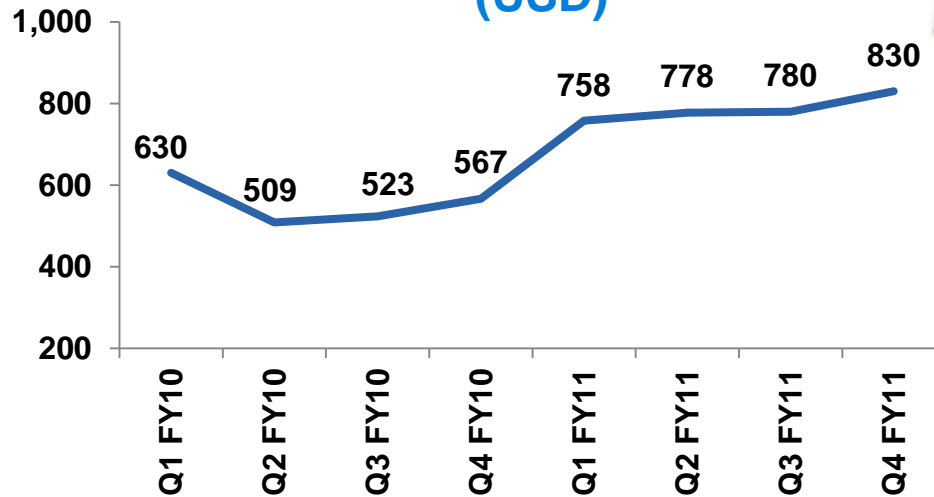
Technical Advisory Service Agreement with Notore Chemicals, Nigeria

- ❑ Notore is in the business of manufacturing Urea and owns a KBR ammonia plant and a Stamicarbon Urea plant
- ❑ The Notore plant presently has a capacity of 350,000 metric tonnes (MT) of Ammonia per annum, 500,000 MT of Urea per annum and 650,000 MT of blended NPK
- ❑ There is no investment involved at present by TCL in Notore Chemicals
- ❑ TCL's fees are linked to improvement in the output from the plant performance.

Testimony to TCL's expertise and capabilities in the Urea business

DAP & NPK

Phosphoric Acid Price Trend (USD)



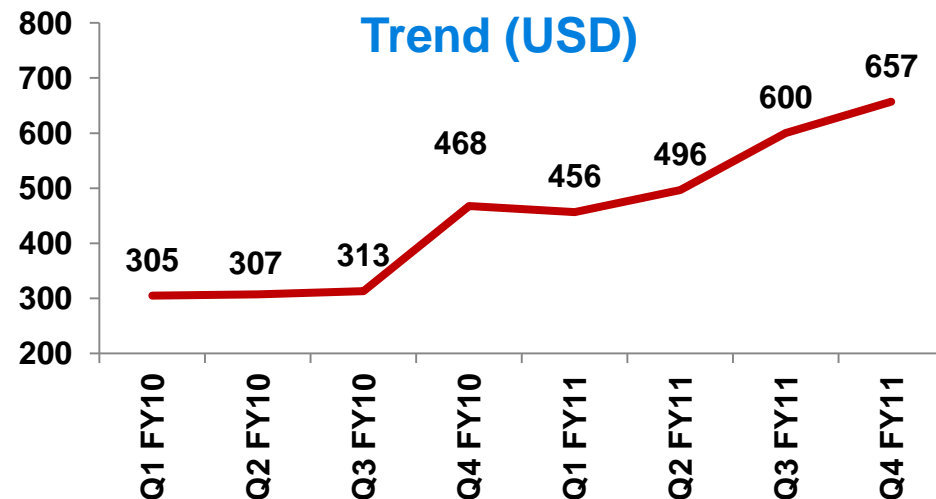
Source: Industry Estimates

Spot Price
1,050

- Study underway to double phos acid capacity along with ~ 1 million TPA DAP capacity
- Subsidy rates for DAP and MOP have been increased to USD 612 and USD 390 respectively

- DAP prices continue to harden led by rising input and energy costs
- Higher input prices placing strain on operations

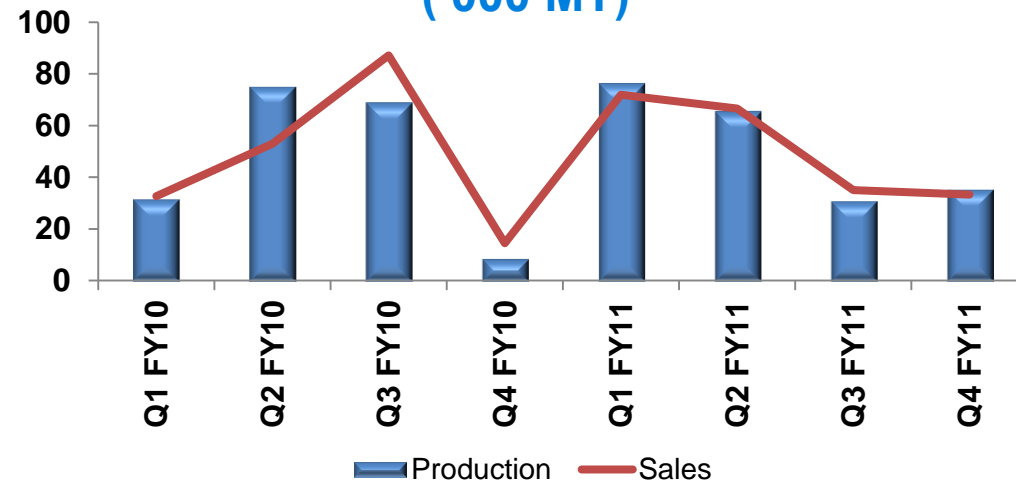
Finished Goods – DAP Price Trend (USD)



Source: Industry Estimates

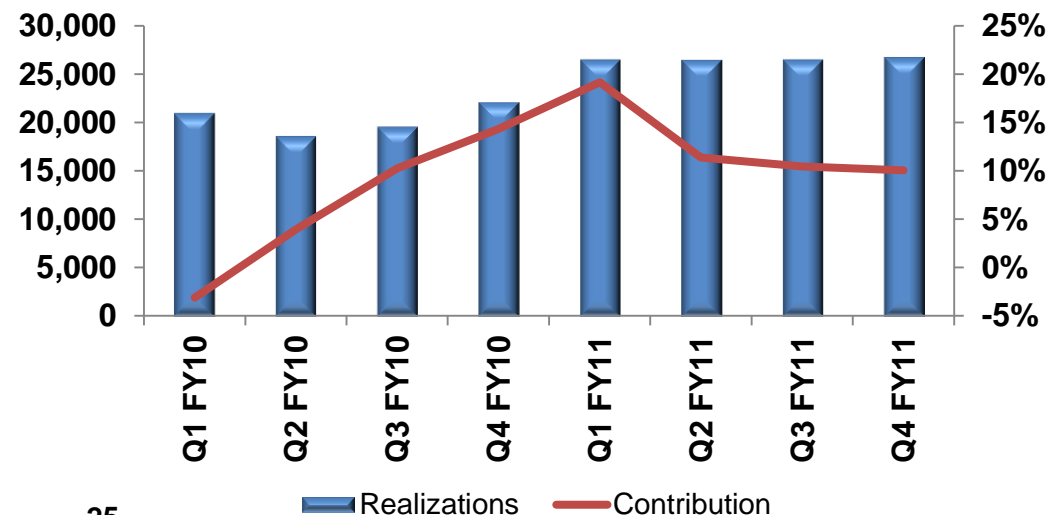
Production & Deliveries

Haldia DAP Production & Sales (‘000 MT)



□ IMACID stake safeguards
assured supply of phosphoric
acid

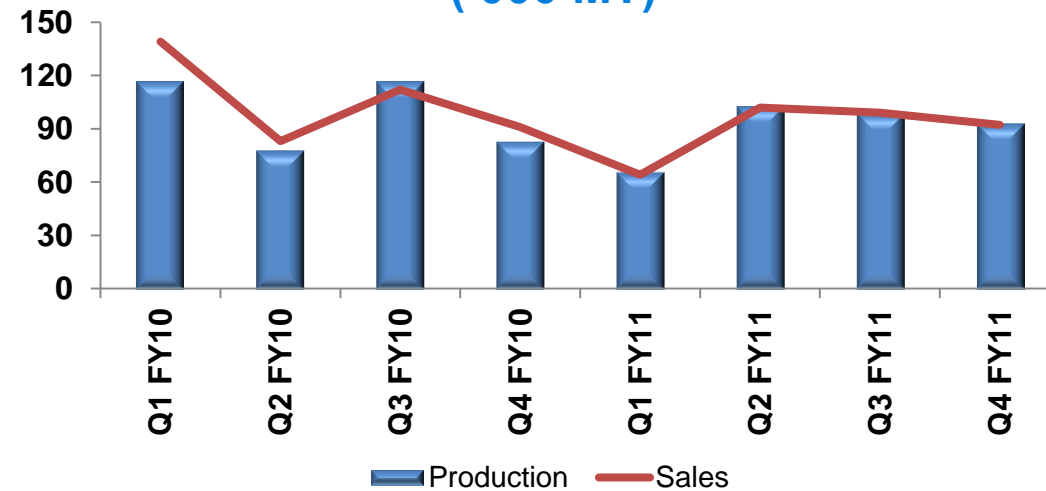
Haldia DAP Realizations & Contribution (₹/MT)



LOW CAPITAL BUSINESS

Production & Deliveries

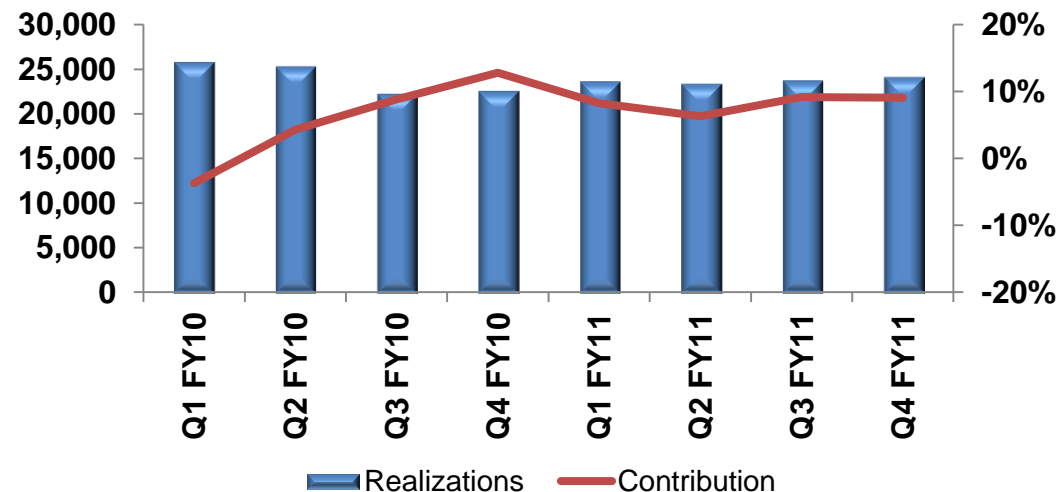
Haldia NPK Production & Sales ('000 MT)



□ Low subsidies combined with higher input cost hindering volume growth

□ Targeting to expand the SSP capacity by 50K TPA – expect completion by March 2012

Haldia NPK Realizations & Contribution (₹/MT)



LOW CAPITAL BUSINESS

Customized Fertilisers



Customized Fertilisers: Crop & Soil specific Formula



Production

Production at Babrala has commenced: Capacity 130,000 MT/ year

Marketing

**Target Market: - 25 districts of UP
- 5 key crops**

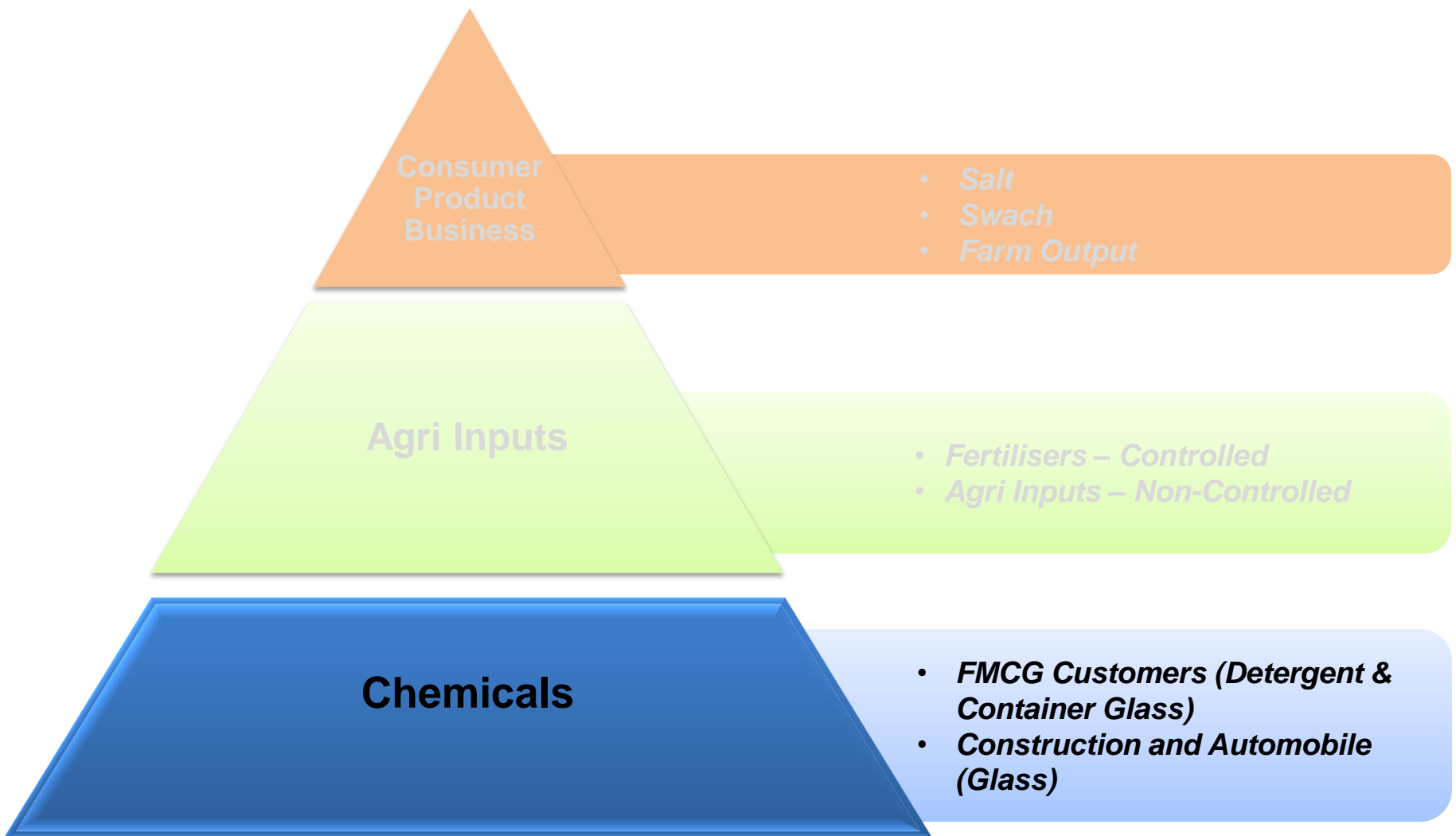
Target segments: 66 dealers, 351 star retailers, 197 TKS

Evaluating option of setting up 2 more Customized Fertiliser units

Rallis India

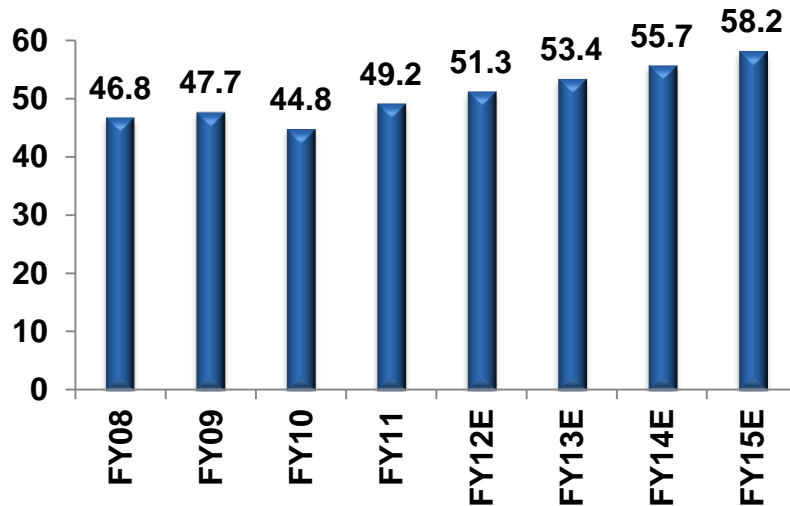
- ❑ Strong growth in domestic business driven by value added offering to farmers in the last four years – despite the setback due to unseasonal rains
- ❑ Revenues up by 20% at ₹ 1,047 crore and PAT up by 25% at ₹ 126 crore for the year ended March 31, 2011
- ❑ Acquisition of Metahelix Life Sciences (MHS) offers Rallis a firm footing in the seeds business
- ❑ With a strong presence in Rice, Maize, Millet, Cotton and Vegetables portfolio, the Metahelix presence provides a robust opportunity to increase presence in agri input segment
- ❑ Manufacturing presence being strengthened by capacity expansions in existing units as well as investments in a new unit at Dahej
- ❑ The Rallis Kisan Kutumb programme continues to receive focus with over 50,000 farmers coming into fold



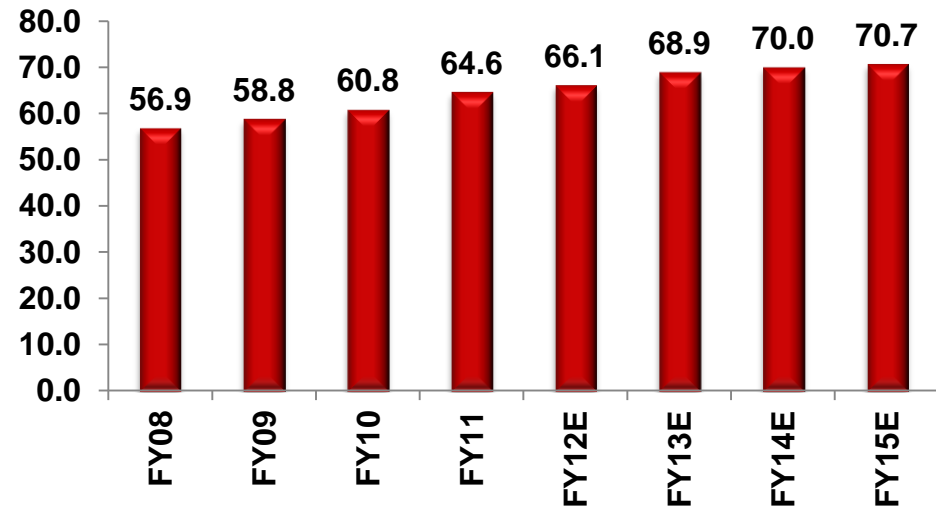


Global Soda Ash

Global Soda Ash Demand (Million Tonne)



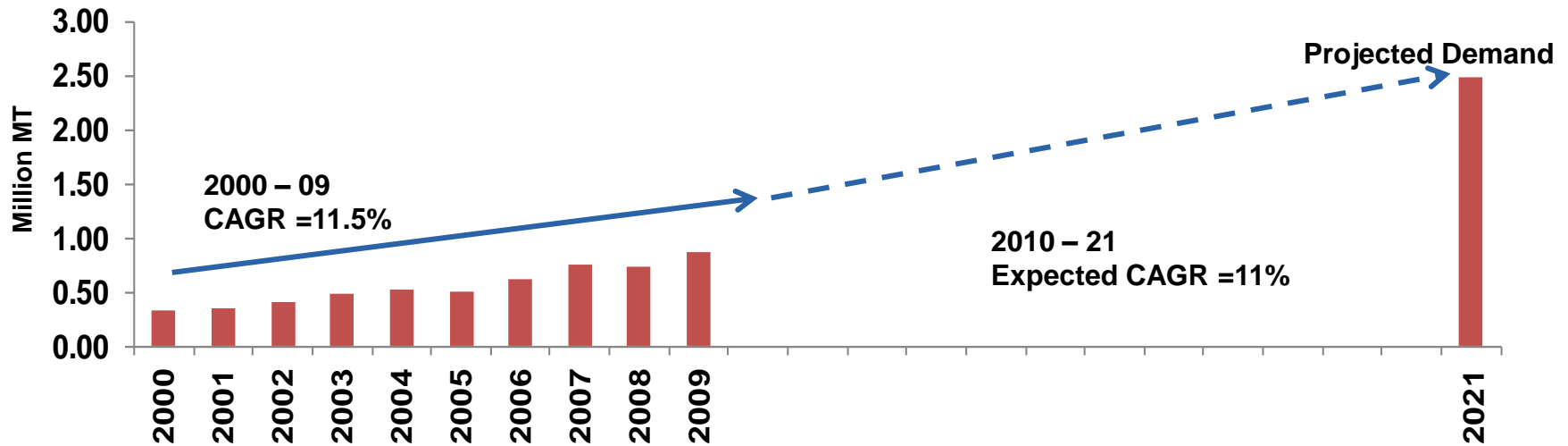
Capacities (Million Tonne)



Source: Industry Estimates

- ❑ Global capacity for soda ash (FY2011) is 65 million tonnes
- ❑ TCL's soda ash capacity is 70% synthetic and 30% natural
- ❑ Natural soda ash variable cost is 1/3rd of synthetic soda ash

Robust Glass Demand - India



Source: Glassyug 2010, Glassweb and TSMG Analysis, ACMA report

Past Indian Growth

Steady growth of 11.5% in domestic glass industry for last 10 years

Construction And Auto sectors

Real Estate & Construction, accounting for 85% of float glass. Demand to grow at 20% CAGR growth in automobile sector, contributing 15% to demand

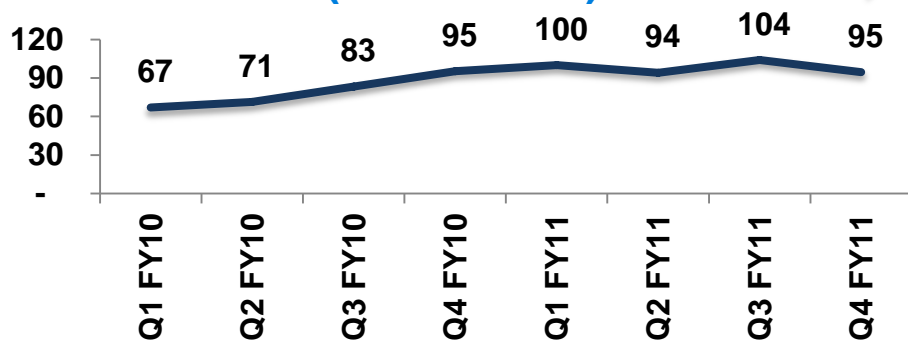
China growth Story

China grew by 11% from 1990-2008 - India poised to mirror this performance

Indian demand estimated to grow at 11%, on a conservative basis

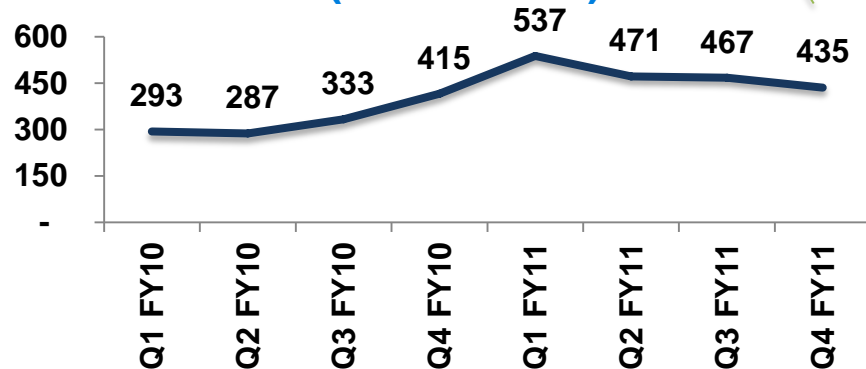
Global Energy Prices

Coal CFR Price Trend (USD/tonne)

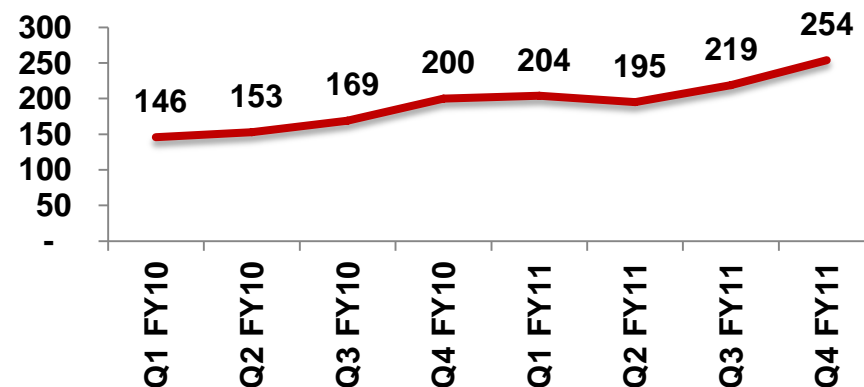


Spot Price
530-550

Coke CFR Price Trend (USD/tonne)

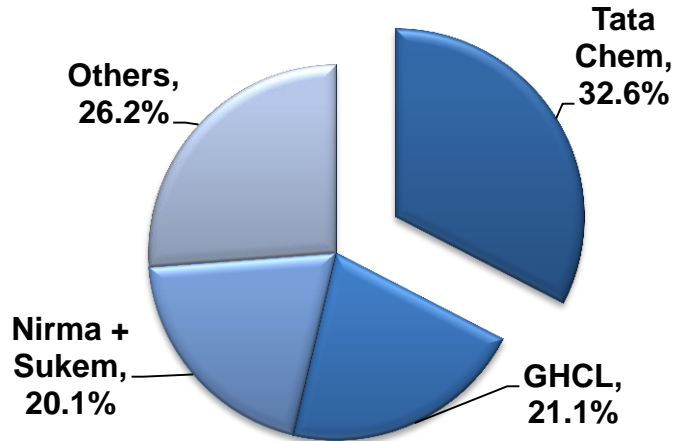


Anthracite CFR Price Trend (USD/tonne)

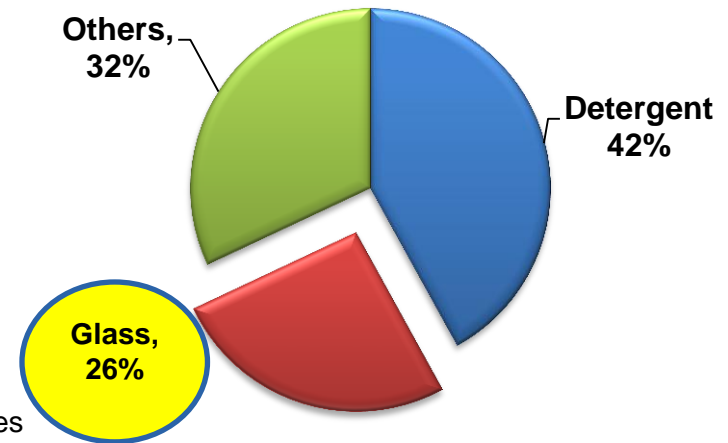


Soda Ash - India

Market Share



Industrial Usage Spread

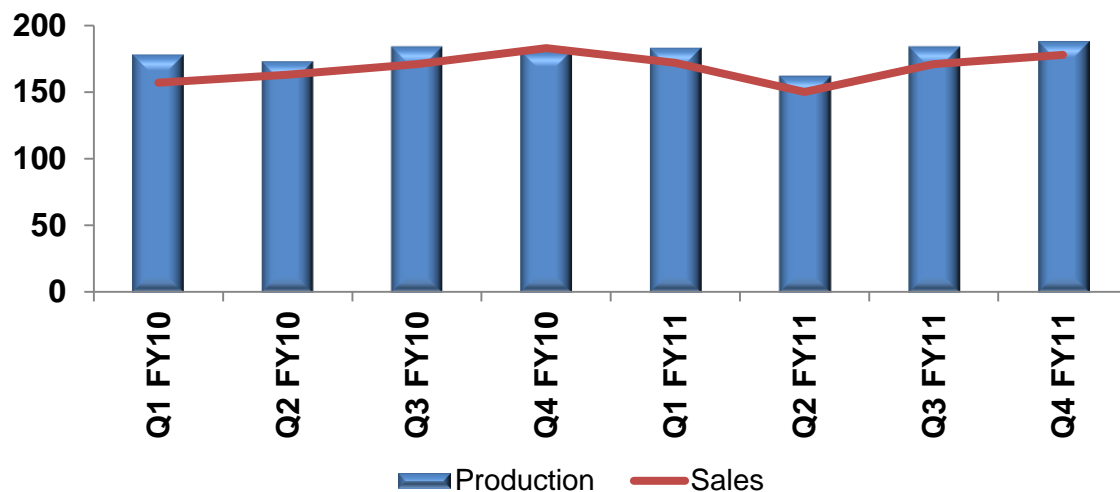


Source: Industry Estimates

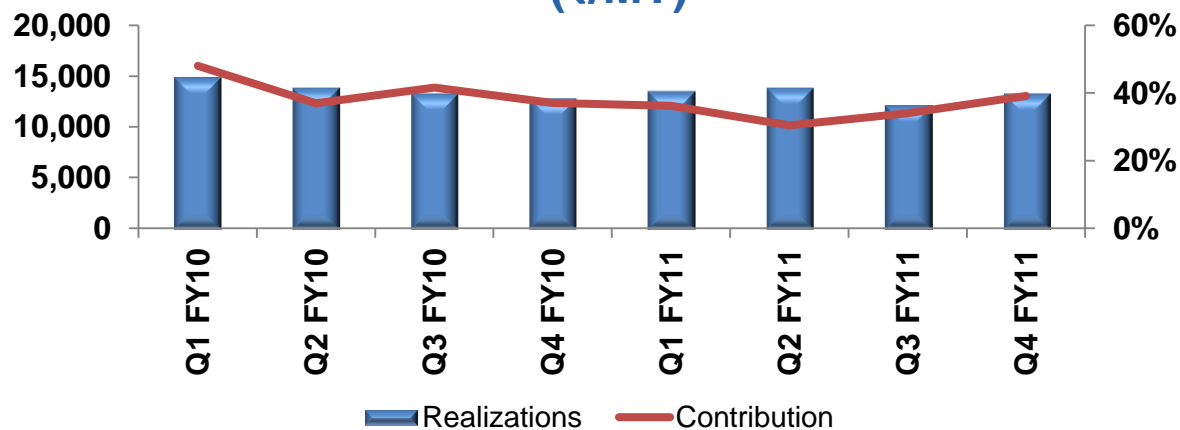
- ❑ Mithapur facility operating at ~82% capacity utilization levels
- ❑ ~ 65% sales on spot basis
- ❑ Rising input costs (limestone and coal) necessitating increased finished goods prices
- ❑ Shift in India's consumption pattern from detergent to glass – usage significantly lower than global consumption

Production & Deliveries

Mithapur Production & Sales (‘000 MT)

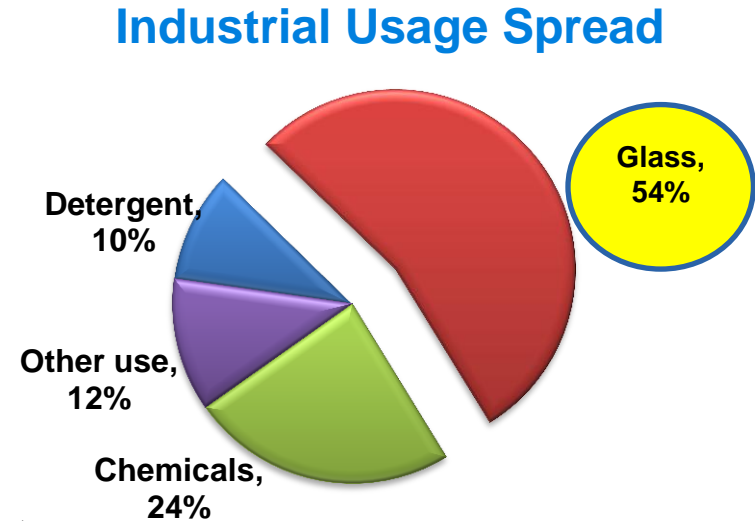
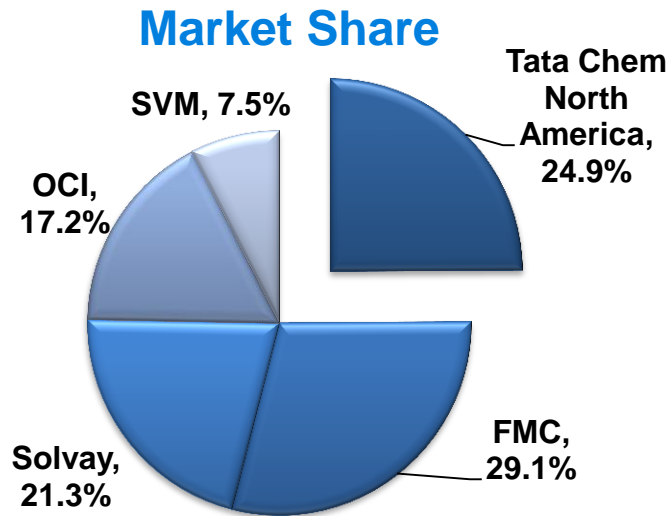


Mithapur Realizations & Contribution (₹/MT)



**HIGH CASH
GENERATING
BUSINESS**

Soda Ash – Tata Chemicals North America (TCNA)

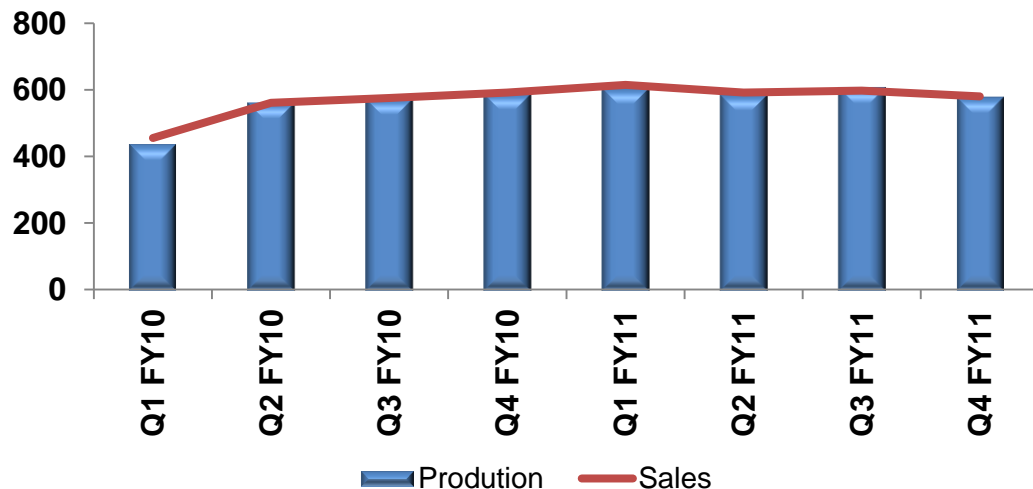


Source: Industry Estimates

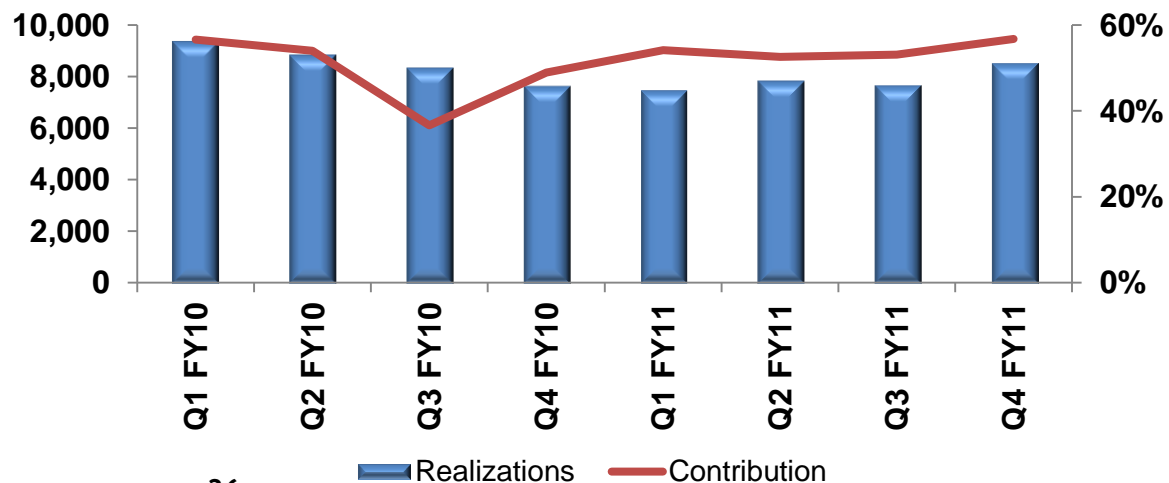
- ❑ TCNA - one of the largest Soda Ash players in the US
- ❑ Currently operating at ~97% capacity utilization levels
- ❑ Study under progress for increasing capacity
- ❑ Entire production sold through long term contracts
- ❑ Complete production sold out for current calendar
- ❑ ~70% production sold domestically while balance exported; mainly to Latin America

Production & Deliveries

TCNA Production & Sales (‘000 MT)



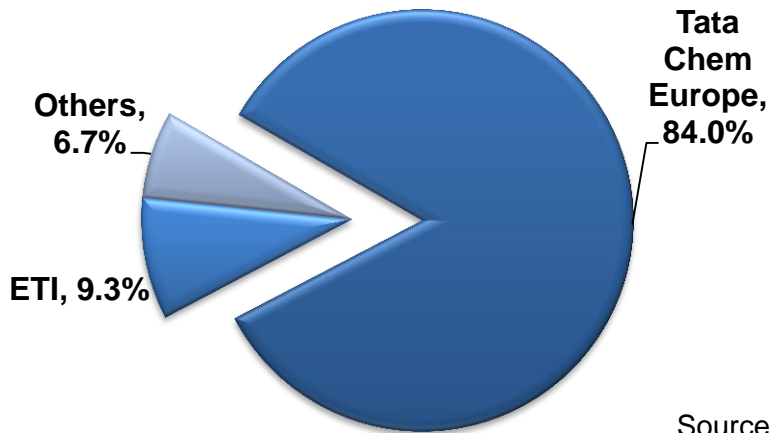
TCNA Realizations & Contribution (₹/MT)



**HIGH CASH GENERATING –
LOW COST**

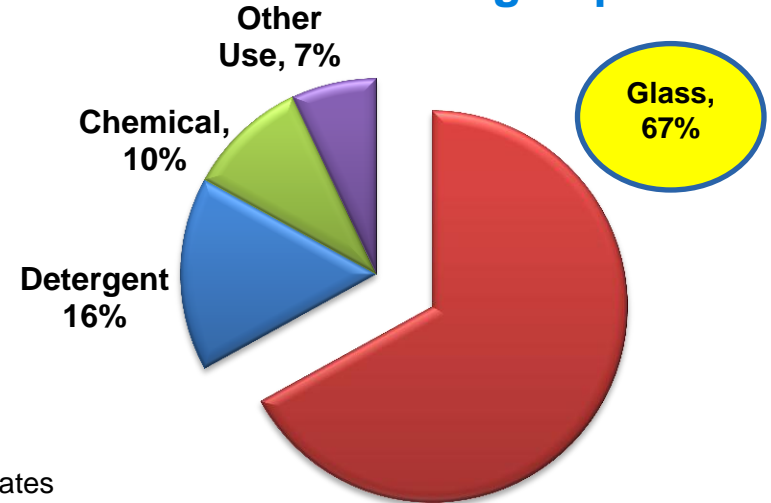
Soda Ash – Tata Chemicals Europe (TCE)

Market Share



Source: Industry Estimates

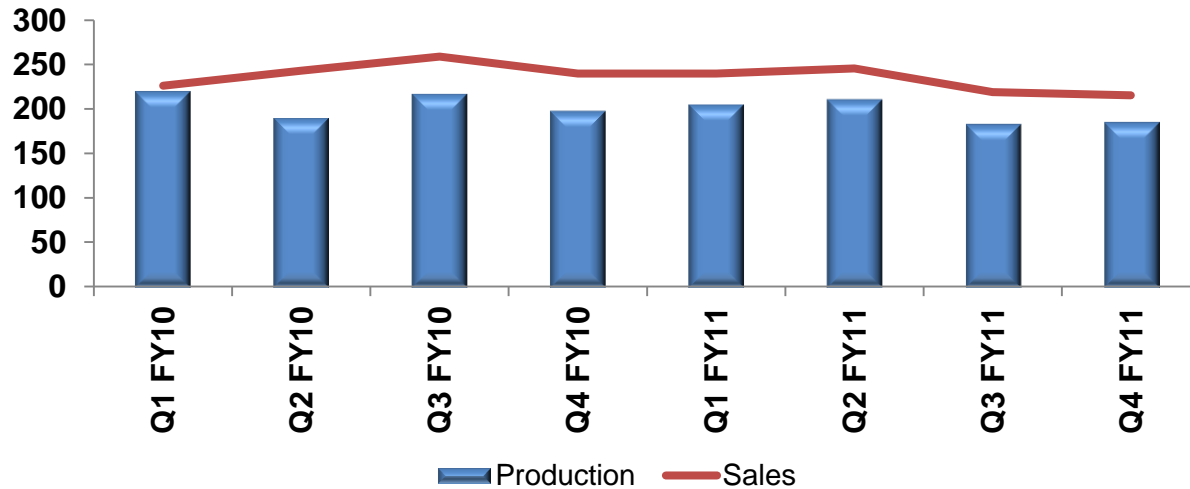
Industrial Usage Spread



- ❑ Entire production sold in the UK - all sales through long term contracts
 - ❑ Container Glass driving demand
- ❑ Unit operating at full capacity utilization
- ❑ Facility has strong tie-up for brine supply at reasonable cost – acquired 100% stake in British Salt

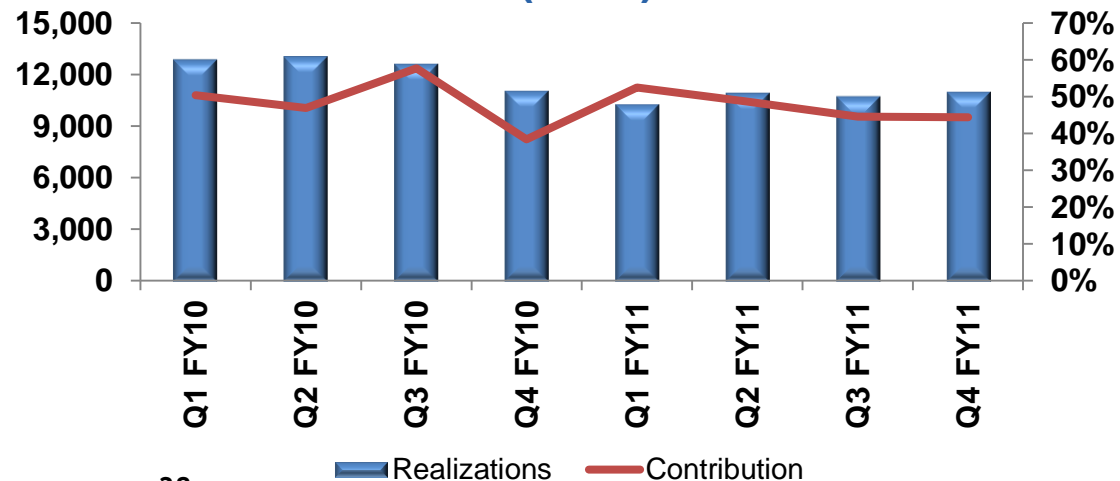
Production & Deliveries

TCE Production & Sales (‘000 MT)



Extreme climatic conditions impact TCE operations

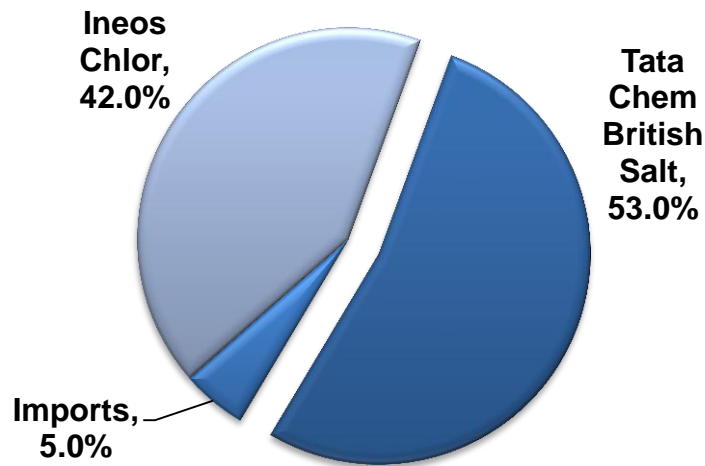
TCE Realizations & Contribution (₹/MT)



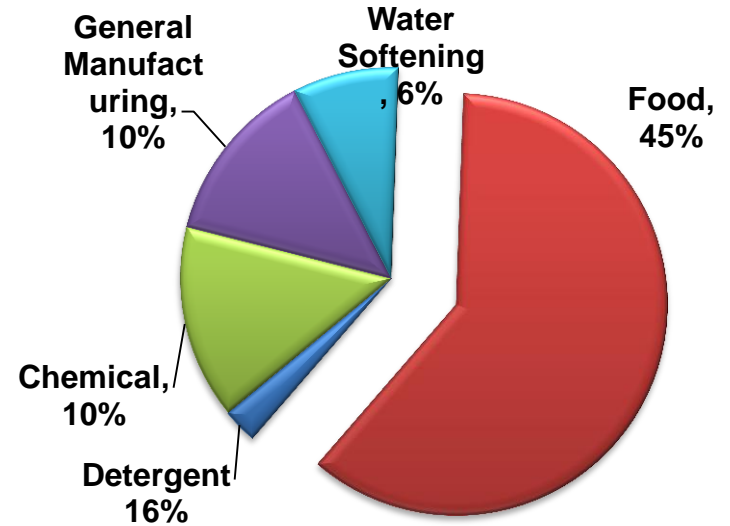
FOCUS ON RETURNING TO SUSTAINABLE PROFITABILITY

British Salt

Market Share



Volume by Industry Sector

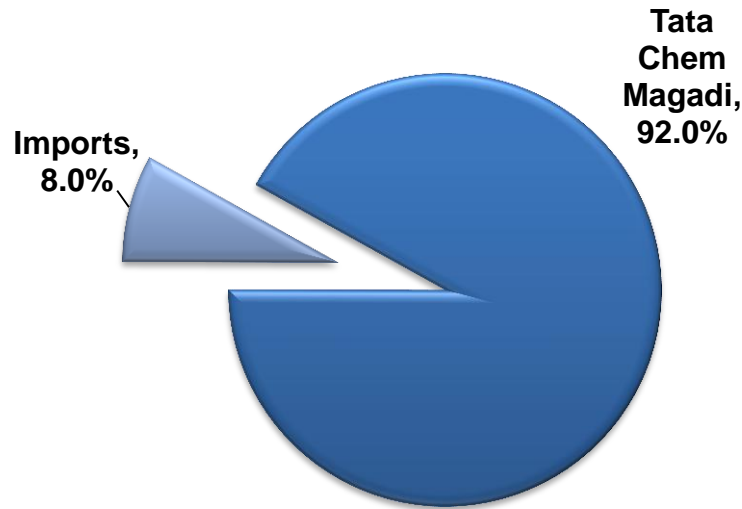


Source: Industry Estimates

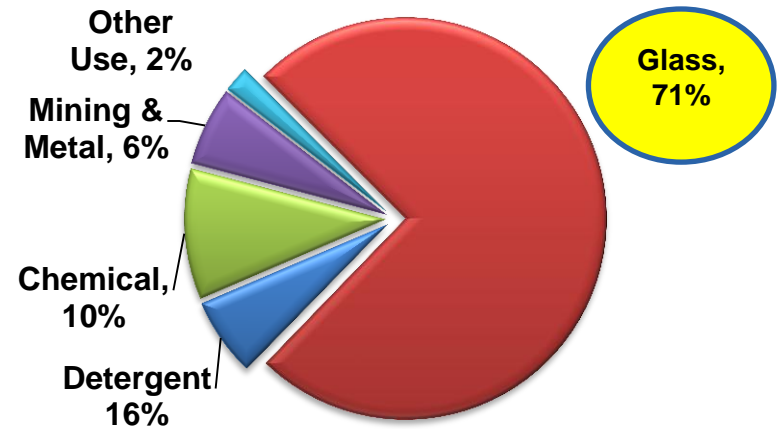
- ❑ Long-term customer relationships with leading food & chemicals companies
- ❑ British Salt is also active in the gas storage business

Soda Ash – Tata Chemicals Magadi

Market Share



Industrial Usage Spread

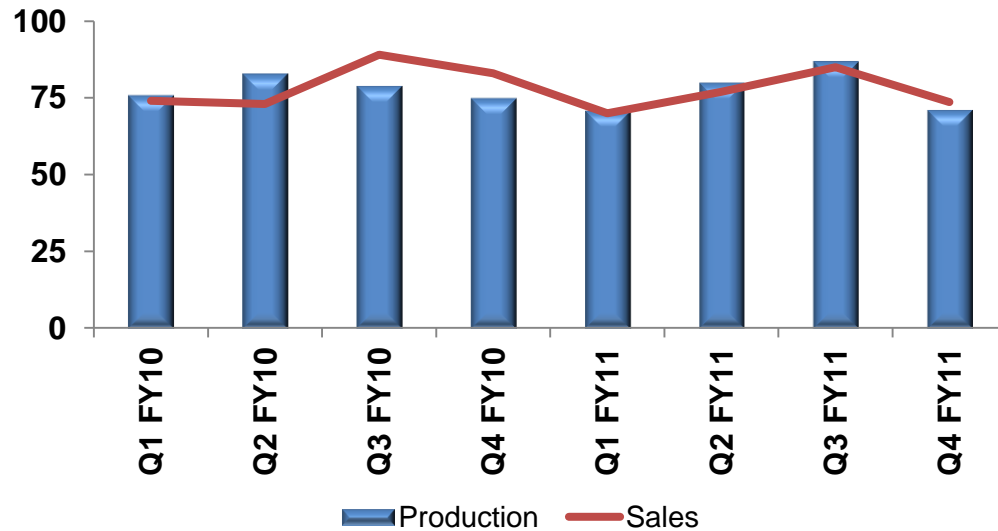


Source: Industry Estimates

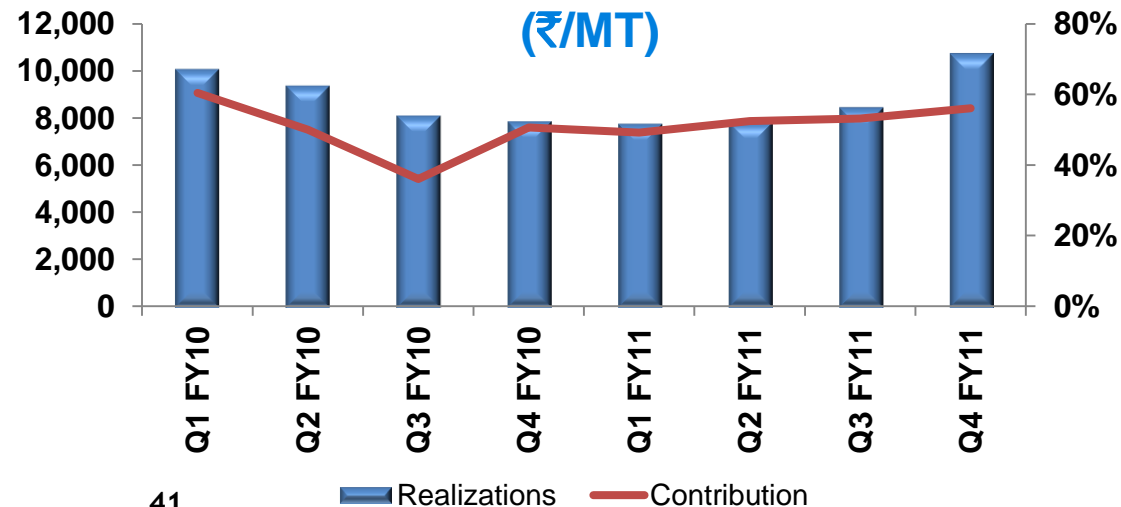
- ❑ Standard Ash plant operating at ~85% capacity utilization levels
- ❑ Project “Excel” contributes to enhanced production and efficiencies at Pure Ash Facility – 60% capacity utilization
- ❑ Rising oil prices however pose challenges
- ❑ ~60% sales on spot basis

Production & Deliveries

Kenya SAM UK Production & Sales
(‘000 MT)



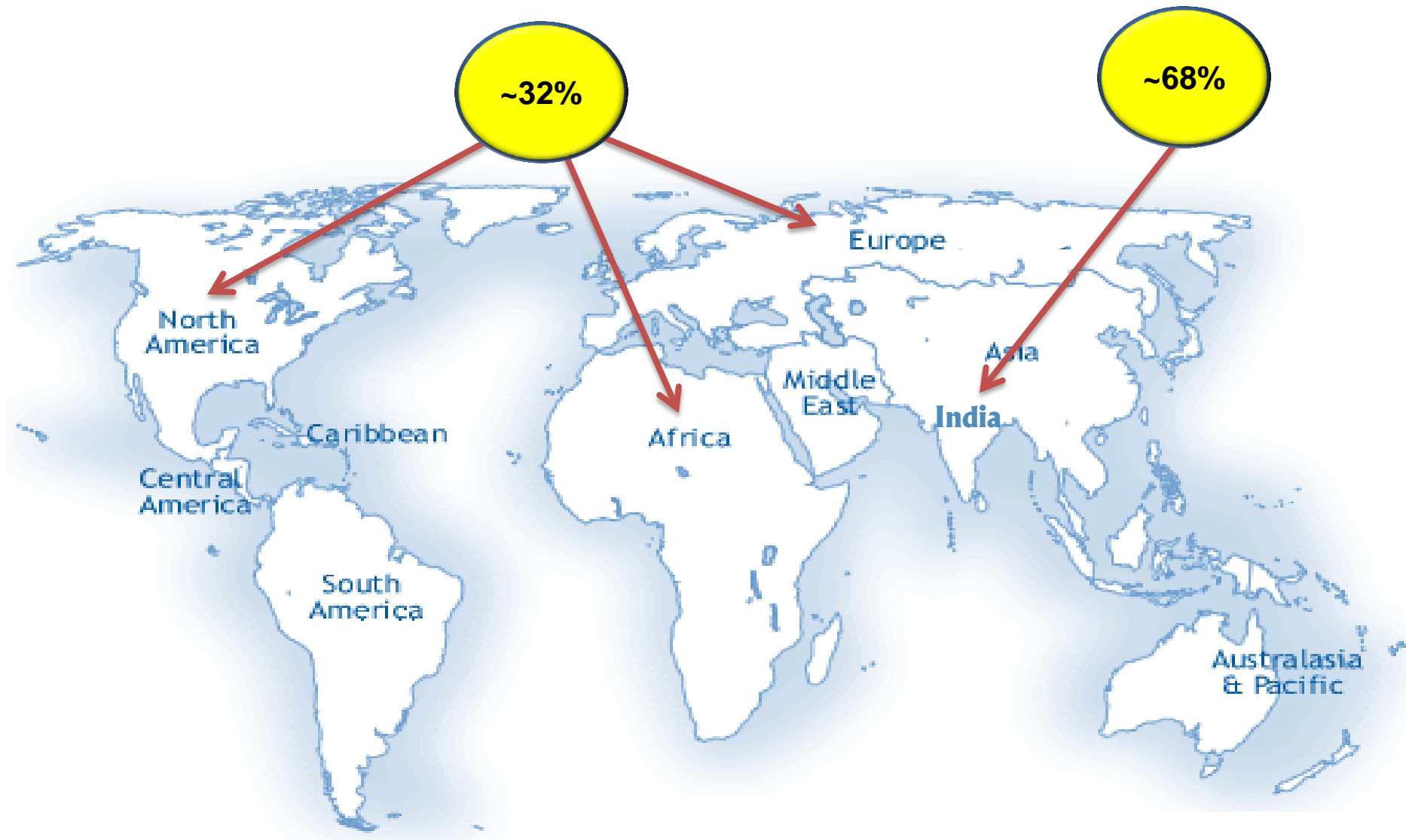
Kenya SAM Realizations & Contribution (₹/MT)



**FOCUS ON EXPLOITING
LOW COST ADVANTAGE**

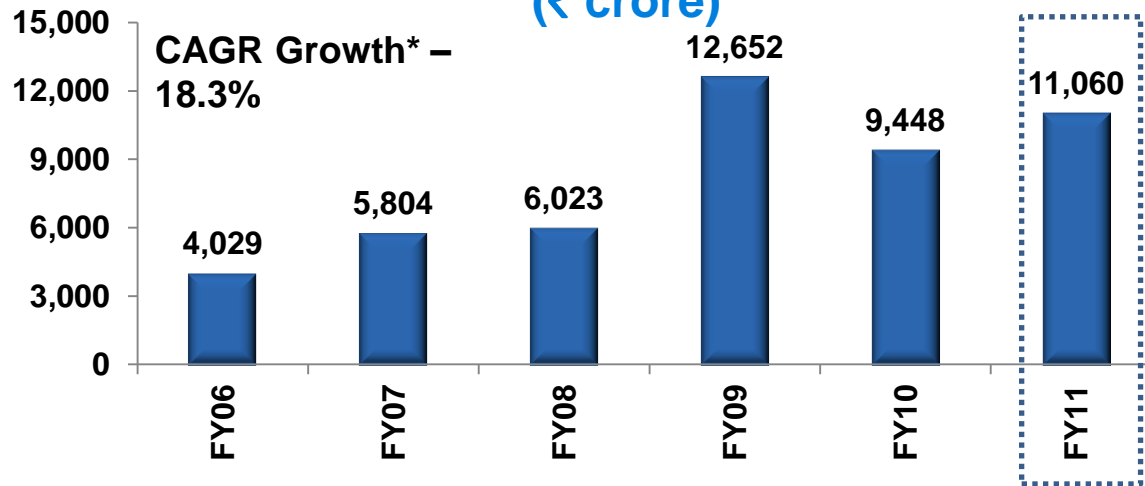
Financials

TCL's Revenue Contribution

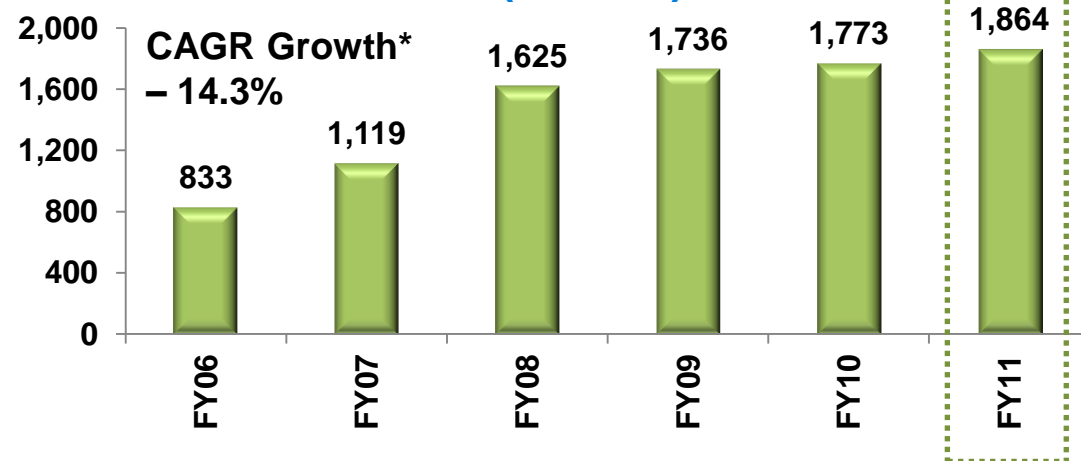


Financial Trend (Consolidated)

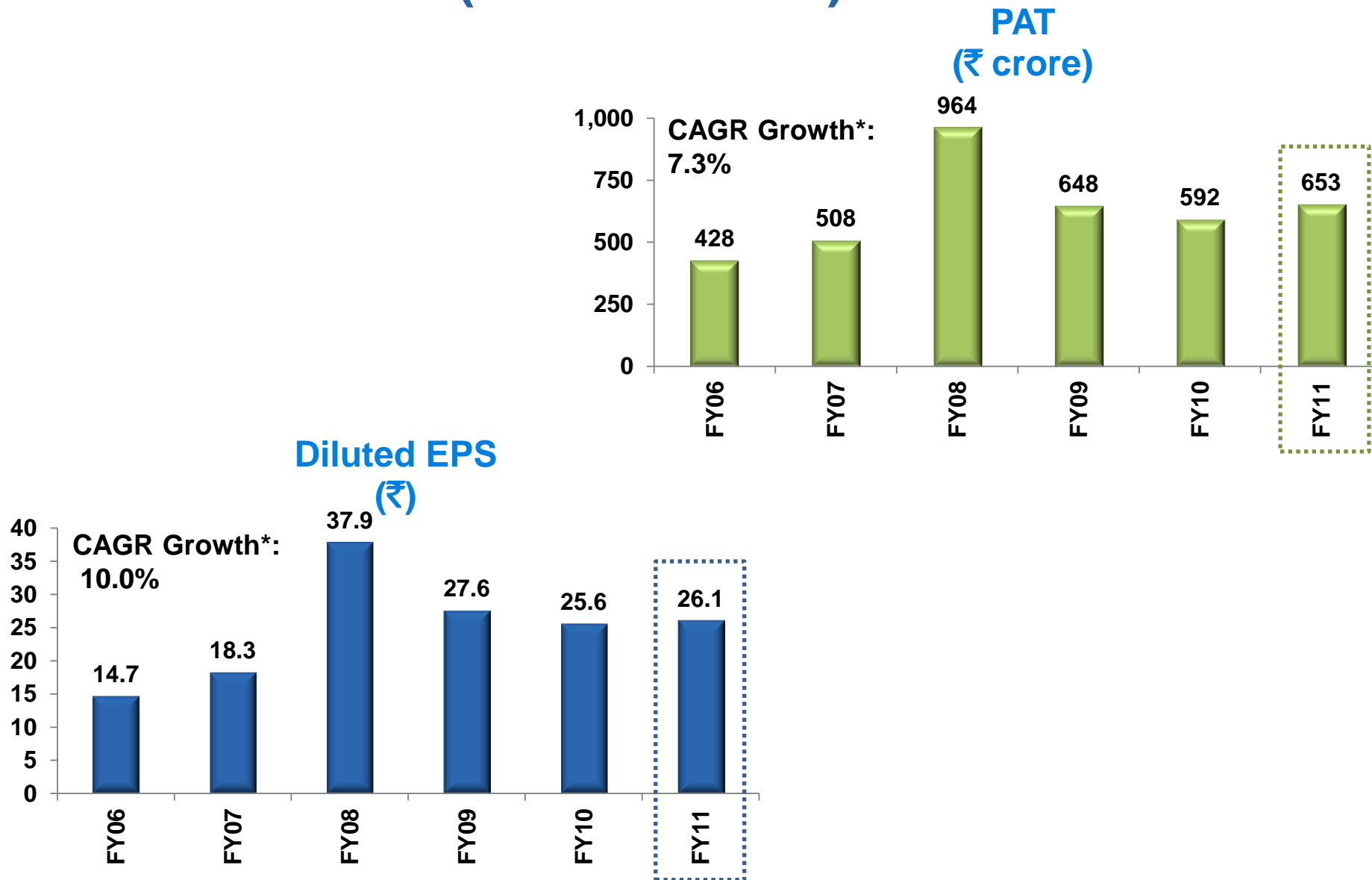
Net Income from Operations (₹ crore)



EBITDA (₹ crore)

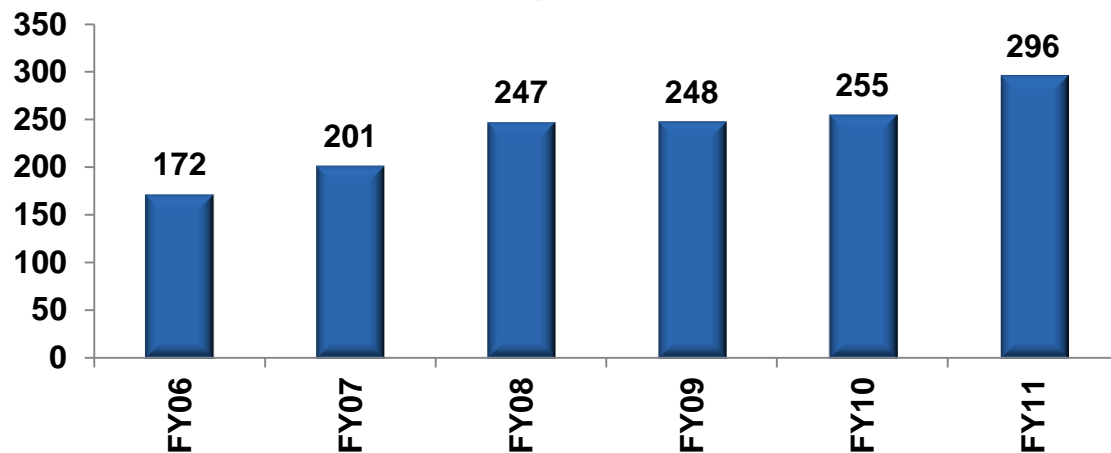


Financial Trend (Consolidated)

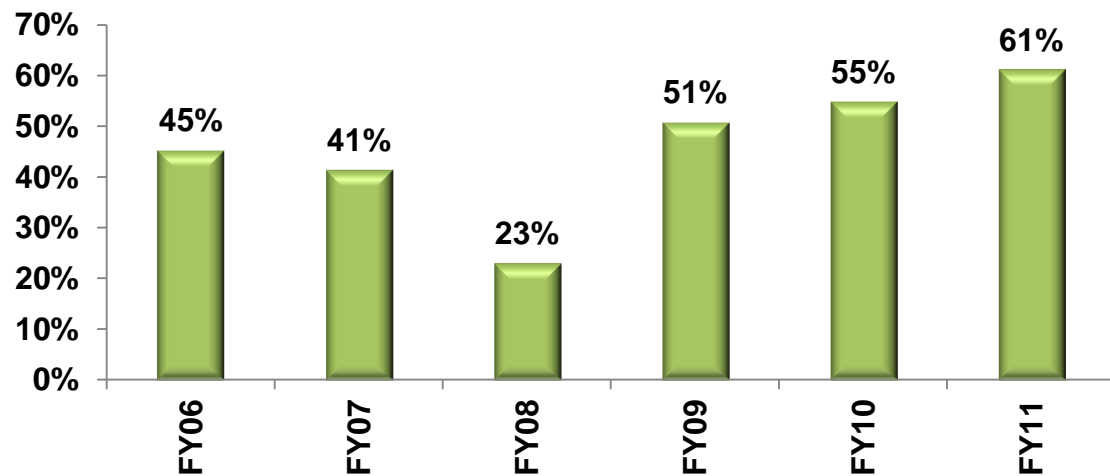


Dividend Track Record

Dividends including Dividend Tax (₹ crore)



Dividend Payout Ratio*



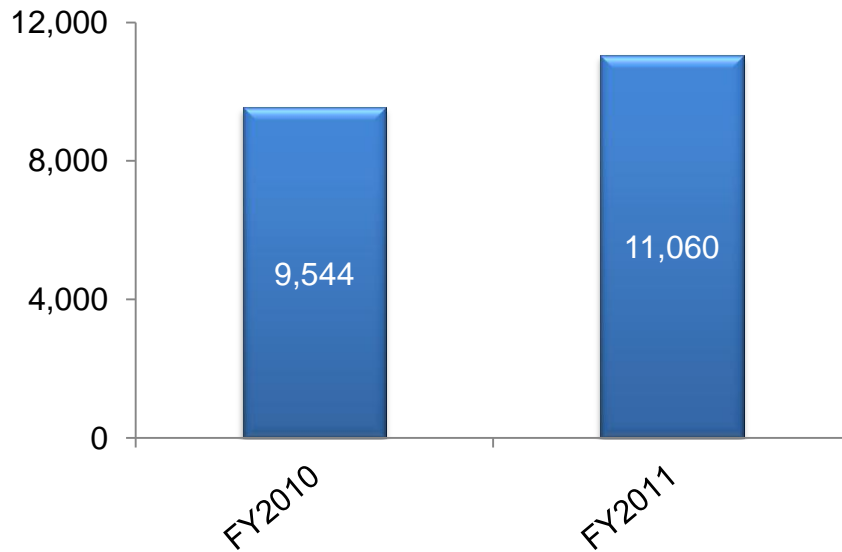
FY2011 Financial Highlights

Particulars (₹ crore)	FY2011						FY2010					
	TCL	TCE	IMACID	TCNA	Rallis	CONS	TCL	TCE	IMACID	TCNA	Rallis	CONS
Net Sales (Incl. Other Operating Income)	6,332	1,682	442	1,818	1,092	11,060	5,476	1,834	370	1,759	341	9,544
Profit from operations	893	192	53	538	203	1,864	899	306	59	511	63	1,840
PBT (after exceptional items)	559	(39)	45	397	184	1,121	588	(76)	34	342	57	933
PAT (after MI & Share in Associate)	408	(24)	37	198	63	653	435	(60)	30	184	32	606

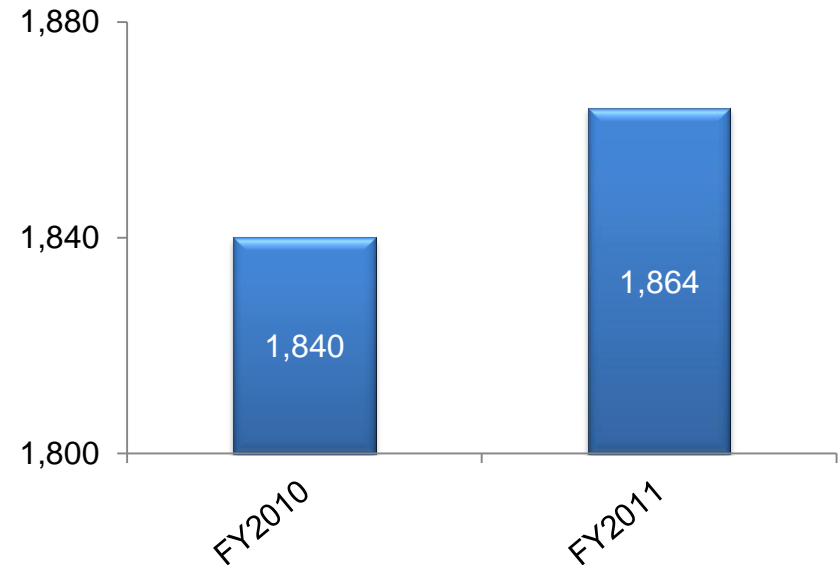
- International entities register a growth of 43% in profits

FY2011 Performance

**FY11 Net Income from Operations
(₹ crore)**

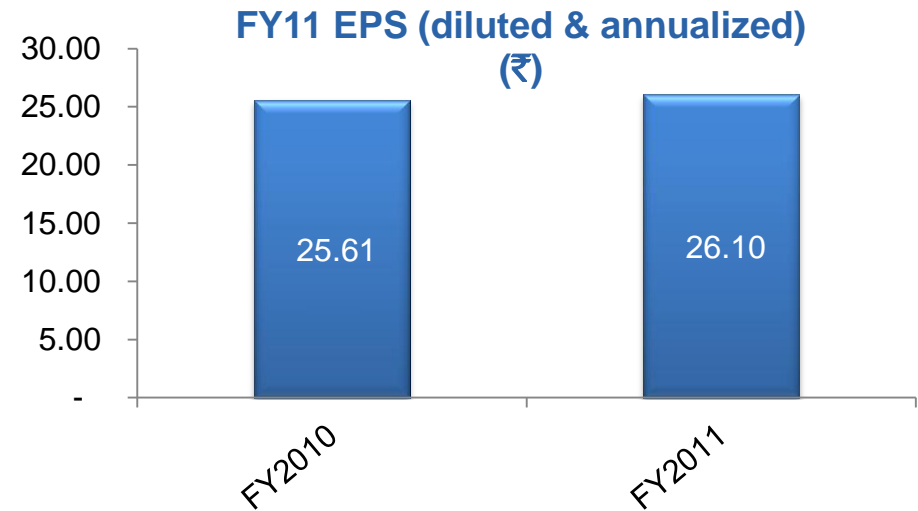
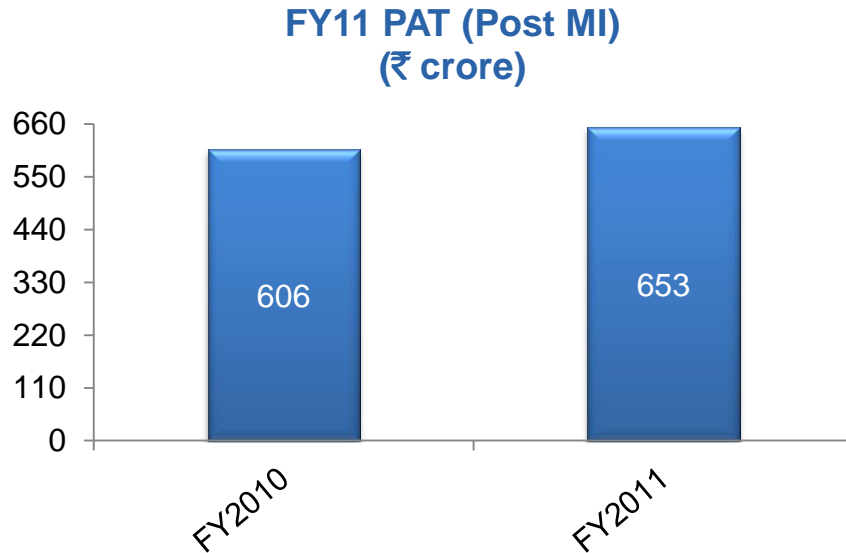


**FY11 Profit from Operations
(₹ crore)**



- Firm markets and stable operating environment across most sites
- Improving demand environment reflected in enhanced realizations

FY2011 Performance



- Strong performance by TCNA partially mitigates impact of increasing input costs, extreme winter in TCE
- FY2011 Profit from operations includes full year performance of Rallis versus 3 months in FY2010

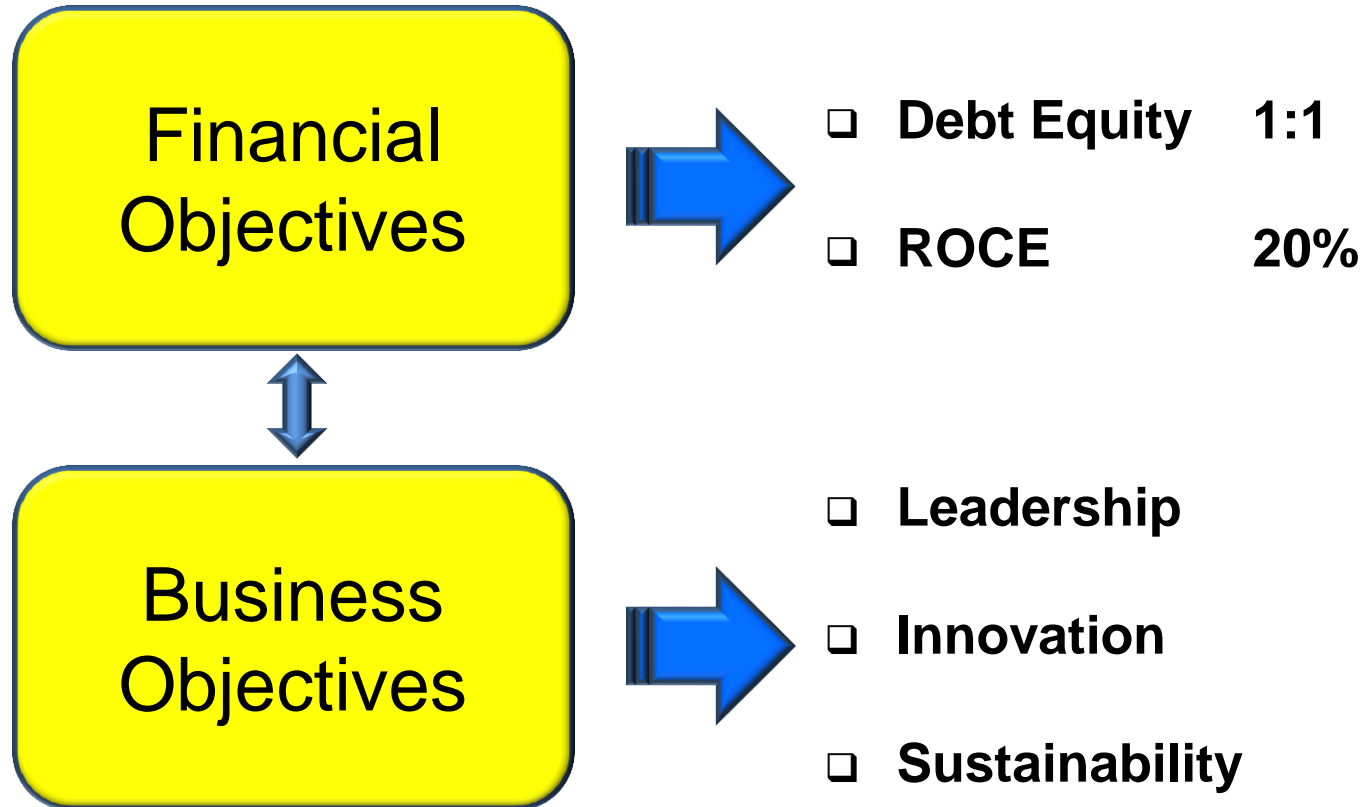
Key Ratios (Consolidated)

Particulars	As on March 31, 2011	As on March 31, 2010
Net Debt/Equity	0.76	0.81
Net Debt/Total Assets	0.36	0.37
Net Debt/EBITDA	2.34	2.08
EPS (Diluted & annualized)	26.10	25.91

Consolidated Cash and cash equivalents as on March 31, 2011: ₹ 1,345 crore

Strategy and outlook...

Financial Objectives



Living Essentials

Objectives

- ❑ Leveraging technology and customer relationships to create products for the masses

Actions

- ❑ Debottlenecking of additional 200K TPA domestic salt capacity at ₹ 180 crore expected by March 2012
- ❑ Swach Water purifiers – Sales targeted to cross 1 million by FY2012
- ❑ I Shakti range of pulses – “i-Shakti dals” and 4 popular varieties of pulses (Chana, Toor, Urad & Moong including Whole Green Moong & Green Chilka)

Industry Essentials

Objectives

- ❑ Being the lowest cost Inorganic Chemicals Company in the world

Actions

- ❑ Debottlenecking of GCIP facility by 100,000 tonnes by March 2012
- ❑ Study under progress to increase GCIP capacity by 400,000 tonnes
- ❑ Magadi PAM PEP (Pure Ash, Performance Enhancement Programme)
- ❑ Initial capex of USD 15 million on engineering and infrastructure for Biofuels production at Mozambique
- ❑ Lean Six Sigma being implemented across sites

Farm Essentials

Objectives

- ❑ Strengthen position in the Integrated Agri Input space while leveraging relationships with farmers to extend across the value chain

Actions

- ❑ Evaluating option of setting up 2 more Customized Fertiliser units in Haldia
- ❑ Third DAP train of 300,000 tonnes under examination
- ❑ Urea de-bottlenecking of 50-100K tonnes under review
- ❑ Babrala II – Urea doubling project dependent upon gas allocation and price
- ❑ Study underway to double phos acid capacity along with ~ 1 million TPA DAP capacity at IMACID, Morocco
- ❑ SSP debottlenecking at Haldia by 50K TPA at a cost of ~ ₹ 11 crore – expected completion by Q4 FY2012

MEDIUM TERM

Innovation Focus

❑ **TATA Swach:**

- ❑ Low cost water purifier available at price points of ₹ 749 and ₹ 499
- ❑ The Tata Swach bulb, which shuts off water supply after its useful life, is priced at ₹ 299 and it can purify upto 3,000 liters of water
- ❑ TATA Swach is available almost pan India except North Eastern states and J&K

❑ **Biofuels:**

- ❑ Tata Chemicals has a research program for Jatropa in Singapore along with Toyota and Temasek
- ❑ Tata Chemicals plans to exploit this technical knowledge and expertise in developing large-scale bio ethanol project in Mozambique
- ❑ The consulate minister of Mozambique allocated 16,000 hectares of land for setting up Bio ethanol plant based from sugarcane

