Standalone Financial Statements

Independent Auditors' Report

To the Members of Tata Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Tata Chemicals Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31 2021, and the Standalone Statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition (refer notes 2.14 and 25 to the Standalone Financial Statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue is recognised when the control over the underlying products has been transferred to the customer. Due to the Company's sales under various contractual terms and across the country, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement of the Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off risk). There is also a risk of revenue being overstated due to fraud resulting from pressure on the Company to achieve performance targets at the reporting period end. Accordingly, fraud and cut-off risks in revenue recognition are considered as a key audit matter.	Our audit procedures included: • Assessing the Company's revenue recognition for compliance with Ind AS; • Testing the design, implementation and operating effectiveness of the Company's manual and automated (Information Technology - IT) controls on recording revenue. We involved our IT specialists for IT testing. We focussed on controls around the timely and accurate recording of sales transactions which included evaluating the Company's lead time assessment and quantification of any sales reversals for undelivered goods based on the terms and conditions set out in the sales contracts and the transit time required to deliver the goods; • Performing testing on selected statistical samples of revenue transactions recorded during the year end; • Assessing high risk manual journals posted to revenue to identify any unusual items.

Impairment evaluation of Investments in unlisted subsidiaries (refer notes 2.3.5, 2.12 and 8 to the Standalone Financial Statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the investments in unlisted subsidiaries (held at cost less impairment) represents 32% of the Company's total assets. The investments are assessed for impairment when an indicator of impairment exists. With the spread of COVID-19 in India and globally, demand loss is expected for the products of unlisted subsidiaries. The impairment assessment involves use of estimates and judgements. The identification of an impairment event and the determination of impairment charge also requires the application of significant judgement by the Company. The judgement, in particular, is with respect to the timing, quantity and estimation of future discounted cash flows of the underlying entities. It involves significant estimates and judgment, due to the inherent uncertainty involved in forecasting and discounting future cash flows. In view of the significance of these investments and estimates and judgments involved, we consider impairment evaluation of investments in unlisted subsidiaries to be a key audit matter.	Our audit procedures included: • Evaluating design and implementation and testing operating effectiveness of controls over the Company's process of impairment assessment and approval of forecasts; • Assessing the indicators for impairment of the unlisted subsidiaries and understanding the Company's assessment of those indicators; • Assessing the valuation methods used for determining recoverable amount, financial position of the unlisted subsidiaries and assessing historical financial performance of those subsidiaries; • Understanding the basis and assumptions used for the financial forecasts; • Testing the key assumptions associated with significant estimation uncertainty and subjectivity used in the discounted cash flow forecast analysis based on our knowledge of the Company and the markets in which the unlisted subsidiaries operate. We challenged these assumptions including applying sensitivity analysis, with the assistance of our valuations team; • Comparing the carrying amount of investments with recoverable amount based on discounted cash flow analysis.

Litigations and claims (refer notes 2.3.4, 2.22, 19 and 45.1 to the Standalone Financial Statements)

The Key Audit Matter	How the matter was addressed in our audit
The Company operates in various States within India, exposing it to a variety of different Central and State laws, regulations and interpretations thereof. The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities. Litigations and claims may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. Resolution of litigations and claims proceedings may span over multiple years beyond March 31 2021 due to the complexity and magnitude of the legal matters involved and may involve protracted negotiation or litigation. The determination of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the possible expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims over time as new facts emerge as each legal case progresses and positions taken by the Company. There is an inherent complexity and magnitude of potential exposures is significant across the Company. Significant judgment is necessary to estimate the likelihood, timing and amount of the cash outflows, interpretations of the legal aspects, legislations and judgements previously made by the authorities. Accordingly, this is identified as a key audit matter.	Our audit procedures included: • Obtaining an understanding of actual and potential outstanding litigations and claims against the Company from the Company's in-house Legal Counsel and other senior personnel of the Company and assessing their responses; • Assessing status of the litigations and claims based on correspondence between the Company and the various tax/legal authorities and legal opinions obtained by the Company; • Testing completeness of litigations and claims recorded by verifying the Company's legal expenses and the minutes of the board meetings; • Assessing and challenging the Company's estimate of the possible outcome of litigations and claims. This is based on applicable tax laws and legal precedence by involving our tax specialists in taxation related matters and discussing with the Company's internal legal counsel; • Evaluating the Company's internal control and judgements made by comparing the estimates of prior year to the actual outcome; • Assessing and testing the adequacy and completeness of the Company's disclosures in respect of litigations and claims.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31 2021 on its financial position in its Standalone Financial Statements - Refer Notes 19 and 45.1 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except for ₹ 0.55 crores, due to legal disputes with regard to ownership that have remained unresolved.

iv. The disclosures in the Standalone Financial Statements regarding holdings as well as dealings in specified bank notes during the period from November 8 2016 to December 30 2016 have not been made in these Standalone Financial Statements since they do not pertain to the financial year ended March 31 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 21046476AAAACR4608

Mumbai
May 03, 2021

Annexure A to the Independent Auditors' Report-March 31 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(b) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year, and we are informed that the discrepancies were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings as disclosed in Note 4 and Note 5 to the Standalone Financial Statements, are held in the name of the Company, except for freehold land in Mambattu, Nellore admeasuring 1,62,095.63 sq. meters and amounting to ₹ 15.05 crores, where the Company is in the process of entering into a Land Sale Agreement with the Government of Andhra Pradesh.

(ii) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act for soda ash, caustic soda lye, sodium bicarbonate, clinker, cement and liquid bromine, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Duty of customs, Employees' State Insurance, Goods and Service tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, there are no dues in respect of Sales-tax, Value added tax, Duty of excise and Service tax payable by the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Income-tax, Employees'

State Insurance, Duty of customs, Goods and Service tax, Cess and other material statutory dues were in arrears as at March 31 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Sr No	Name of Statute	Nature of Dues	Amounts* (₹ In crore)	Period to which the amount relates	Forum where Dispute is pending
1	Customs Act, 1962	Custom Duty	23.53	2012-13,2015-16	Tribunal (CESTAT)
			1.14	1987-88, 1992-93, 2001-02, 2011-12, 2014-16	Appellate Authority upto Commissioner's level
2	Central Excise Act, 1944	Excise Duty	49.93	2005-06	High Court
			45.96	2008-09, 2010-12, 2014-16	Tribunal (CESTAT)
			16.44	2016-17, 2017-18	Appellate Authority upto Commissioner's level
3	Central Sales Tax, 1956 and Sales Tax Act of Various state	Sales Tax (Central and State) and Value Added Tax	32.61	2006-10, 2012-13, 2015-16	High Court
			2.51	2004-06, 2011-14, 2016-17	Tribunal (CESTAT)
			7.70	1997-2000, 2003-06, 2009-17	Appellate Authority upto Commissioner's level
4	The West Bengal tax on entry of Goods into Local Areas Act, 2012	Entry Tax	119.62	2012-13 to 2015-16	High Court
5	The Finance Act 1994 (Service Tax)	Service Tax	11.67	2010-11, 2011-12	Tribunal (CESTAT)
6	Income Tax Act, 1961	Income Tax	0.33	AY 2012-13	Commissioner of Income Tax (Appeals)
			81.91	AY 2015-16	Tribunal (ITAT)
			0.78	AY 2016-17	Commissioner of Income Tax (Appeals)
			3.17	AY 2018-19	Assessing Officer

*net of amounts paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any outstanding dues to financial institutions, debenture holders and Government.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 21046476AAAACR4608

Mumbai
May 03, 2021

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of Tata Chemicals Limited for the year ended March 31 2021

Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Tata Chemicals Limited ("the Company") as of March 31 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31 2021, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 21046476AAAACR4608

Mumbai
May 03, 2021

Standalone Balance Sheet as at March 31, 2021

₹ in crore

				Note	As at March 31, 2021	As at March 31, 2020
I.	ASSETS					
(1)	Non-current assets					
	(a)	Property, plant and equipment		4	2,313.79	2,156.39
	(b)	Capital work-in-progress			420.62	402.13
	(c)	Investment property		5	54.74	21.11
	(d)	Right-of-use assets		6	23.68	23.04
	(e)	Goodwill			45.53	45.53
	(f)	Other intangible assets		7	8.34	7.22
	(g)	Intangible assets under development			0.02	0.27
	(h)	Financial assets				
		(i)	Investments in subsidiaries and joint ventures	8(a)	4,758.06	4,758.06
		(ii)	Other investments	8(b)	3,297.27	1,904.23
		(iii)	Loans	9	0.62	0.92
		(iv)	Other financial assets	10	0.26	0.26
	(i)	Advance tax assets (net)		23	574.90	588.94
	(j)	Other non-current assets		11	291.54	184.23
	Total non-current assets				11,789.37	10,092.33
(2)	Current assets					
	(a)	Inventories		12	521.64	701.17
	(b)	Financial assets				
		(i)	Investments	8(c)	1,281.81	1,301.33
		(ii)	Trade receivables	13	144.92	139.84
		(iii)	Cash and cash equivalents	14	61.41	83.72
		(iv)	Bank balances other than (iii) above	14	623.91	795.86
		(v)	Loans	9	0.17	0.23
		(vi)	Other financial assets	10	118.72	137.31
	(c)	Other current assets		11	123.33	143.96
	Total current assets				2,875.91	3,303.42
	Total assets				14,665.28	13,395.75
II.	EQUITY AND LIABILITIES					
	Equity					
	(a)	Equity share capital		15	254.82	254.82
	(b)	Other equity		16	13,002.35	11,722.50
	Total equity				13,257.17	11,977.32
	Liabilities					
(1)	Non-current liabilities					
	(a)	Financial liabilities				
		(i)	Lease liabilities	17	4.85	10.41
		(ii)	Other financial liabilities	18	0.11	0.17
	(b)	Provisions		19	151.85	163.37
	(c)	Deferred tax liabilities (net)		20	201.93	59.55
	(d)	Other non-current liabilities		21	10.50	10.50
	Total non-current liabilities				369.24	244.00
(2)	Current liabilities					
	(a)	Financial liabilities				
		(i)	Trade payables	22		
			- Outstanding dues of micro enterprises and small enterprises		3.73	3.83
			- Outstanding dues of creditors other than above		477.92	571.16
		(ii)	Other financial liabilities	18	169.87	187.04
	(b)	Other current liabilities		21	47.76	46.74
	(c)	Provisions		19	204.18	199.64
	(d)	Current tax liabilities (net)		24	135.41	166.02
	Total current liabilities				1,038.87	1,174.43
	Total liabilities				1,408.11	1,418.43
	Total equity and liabilities				14,665.28	13,395.75
	Notes forming part of the Standalone Financial Statements			1-46		

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Mumbai, May 3, 2021

For and on behalf of the Board

N. Chandrasekaran — Chairman
(DIN: 00121863)

Padmini Khare Kaicker — Director
(DIN: 00296388)

R. Mukundan — Managing Director and CEO
(DIN: 00778253)

Nandakumar S. Tirumalai — Chief Financial Officer
(ICAI M. No.: 203896)

Rajiv Chandan — General Counsel & Company Secretary
(ICSI M. No.: FCS 4312)

Standalone Statement of Profit and Loss for the year ended March 31, 2021

₹ in crore

		Note	Year ended March 31, 2021	Year ended March 31, 2020
I.	**Incomes**			
	a) Revenue from operations	25	2,998.88	2,920.29
	b) Other income	26	219.15	309.15
	Total income (a+b)		**3,218.03**	**3,229.44**
II.	**Expenses**			
	a) Cost of materials consumed		600.33	541.90
	b) Purchases of stock-in-trade		152.56	94.41
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	11.59	(76.41)
	d) Employee benefits expense	28	250.42	250.28
	e) Finance costs	29	18.74	43.37
	f) Depreciation and amortisation expense	30	197.32	149.50
	g) Other expenses	31	1,373.10	1,392.07
	Total expenses (a to g)		**2,604.06**	**2,395.12**
III.	**Profit before tax (I - II)**		**613.97**	**834.32**
IV.	**Tax expense**			
	(a) Current tax	33	134.49	194.37
	(b) Deferred tax	33	0.37	(31.87)
	Total tax expense (a+b)		**134.86**	**162.50**
V.	**Profit for the year from continuing operations (III-IV)**		**479.11**	**671.82**
VI.	Exceptional gain from discontinued operations (net)	34	-	6,128.08
VII.	Tax expense of discontinued operations	34	-	(40.32)
VIII.	**Profit for the year from discontinued operations (VI-VII)**		**-**	**6,168.40**
IX.	**Profit for the year (V+VIII)**		**479.11**	**6,840.22**
X.	**Other comprehensive income (net of tax) ("OCI") - gain/(loss)**			
	(A) Items that will not be reclassified to the Statement of Profit and Loss			
	- Changes in fair value of investments in equities carried at fair value through OCI		1,194.26	(557.31)
	- Remeasurement of defined employee benefit plans (note 38)		28.72	(50.55)
	(B) Income tax relating to items that will not be reclassified to the Statement of Profit and Loss		142.01	(65.42)
	Total other comprehensive income - gain/(loss) (net of tax) (A-B)		**1,080.97**	**(542.44)**
XI.	**Total comprehensive income for the year (IX+X)**		**1,560.08**	**6,297.78**
XII.	**Earnings per share for continuing operations (in ₹)**			
	- Basic and Diluted	35	18.81	26.37
XIII.	**Earnings per share for discontinued operations (in ₹)**			
	- Basic and Diluted	35	-	242.13
XIV.	**Earnings per share (for continuing and discontinued operations) (in ₹)**			
	- Basic and Diluted	35	18.81	268.50
	Notes forming part of the Standalone Financial Statements	1-46		

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Mumbai, May 3, 2021

For and on behalf of the Board
N. Chandrasekaran (DIN: 00121863) — Chairman
Padmini Khare Kaicker (DIN: 00296388) — Director
R. Mukundan (DIN: 00778253) — Managing Director and CEO
Nandakumar S. Tirumalai (ICAI M. No.: 203896) — Chief Financial Officer
Rajiv Chandan (ICSI M. No.: FCS 4312) — General Counsel & Company Secretary

Standalone Statement of Changes in Equity for the year ended March 31, 2021

a Equity share capital (note 15)

	₹ in crore
Balance as at March 31, 2021	254.82
Balance as at March 31, 2020	254.82

b Other equity (note 16)

₹ in crore

	Reserves and surplus						Items of other comprehensive income	
	Capital reserve and other reserves from amalgamation	Securities premium	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings *	Equity instruments through other comprehensive income	Total
Balance as at April 1, 2019	**1,522.74**	**1,258.21**	**0.10**	**240.00**	**1,171.94**	**5,742.38**	**2,174.78**	**12,110.15**
Transition impact of Ind AS 116	-	-	-	-	-	(0.21)	-	(0.21)
Restated balance as at April 1, 2019	**1,522.74**	**1,258.21**	**0.10**	**240.00**	**1,171.94**	**5,742.17**	**2,174.78**	**12,109.94**
Profit for the year	-	-	-	-	-	6,840.22	-	6,840.22
Other comprehensive income (net of tax)	-	-	-	-	-	(37.59)	(504.85)	(542.44)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**6,802.63**	**(504.85)**	**6,297.78**
Dividends including tax on dividend	-	-	-	-	-	(378.90)	-	(378.90)
Deemed dividend on demerger (note 34)	-	-	-	-	-	(6,307.97)	-	(6,307.97)
Refund of tax on dividend	-	-	-	-	-	1.65	-	1.65
Transfer to retained earnings - sale of non-current investment	-	-	-	(240.00)	240.00	-	-	-
Balance as at March 31, 2020	**1,522.74**	**1,258.21**	**0.10**	**-**	**1,411.94**	**5,859.58**	**1,669.93**	**11,722.50**
Profit for the year	-	-	-	-	-	479.11	-	479.11
Other comprehensive income (net of tax)	-	-	-	-	-	21.36	1,059.61	1,080.97
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**500.47**	**1,059.61**	**1,560.08**
Dividends	-	-	-	-	-	(280.23)	-	(280.23)
Transfer to retained earnings - sale of non-current investment	-	-	-	-	-	(1.51)	1.51	-
Balance as at March 31, 2021	**1,522.74**	**1,258.21**	**0.10**	**-**	**1,411.94**	**6,078.31**	**2,731.05**	**13,002.35**

*including remeasurement of defined employee benefit plans

Notes forming part of the Standalone Financial Statements 1-46

As per our report of even date attached
For B S R & Co. LLP
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Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Mumbai, May 3, 2021

For and on behalf of the Board
N. Chandrasekaran Chairman
(DIN: 00121863)
Padmini Khare Kaicker Director
(DIN: 00296388)
R. Mukundan Managing Director and CEO
(DIN: 00778253)
Nandakumar S. Tirumalai Chief Financial Officer
(ICAI M. No.: 203896)
Rajiv Chandan General Counsel & Company Secretary
(ICSI M. No.: FCS 4312)

Standalone Statement of Cash Flows for the year ended March 31, 2021

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flows from operating activities**		
	Profit before tax from continuing operations	613.97	834.32
	Profit before tax from discontinued operations	-	6,128.08
		613.97	**6,962.40**
	Adjustments for :		
	Depreciation and amortisation expense	197.32	149.50
	Finance costs	18.74	43.37
	Interest income	(47.34)	(40.99)
	Dividend income	(72.91)	(123.22)
	Gain on demerger of discontinued operation (net) (note 34)	-	(6,220.15)
	Net gain on sale of current investments	(45.82)	(121.27)
	Provision for employee benefits expense	30.05	28.39
	Provision for doubtful debts and advances/bad debts written off (net)	0.18	9.40
	Provision for contingencies (net)	7.12	(5.33)
	Liabilities no longer required written back	(3.25)	-
	Provision for exceptional item (note 34)	-	92.07
	Foreign exchange gain/(loss) (net)	4.15	(2.74)
	Loss/(profit) on assets sold or discarded (net)	2.78	(8.34)
	Operating profit before working capital changes	**704.99**	**763.09**
	Adjustments for :		
	Trade receivables, other financial assets and other assets	58.38	(66.07)
	Inventories	179.53	(73.49)
	Trade payables, other financial liabilities and other liabilities	(120.09)	22.11
	Cash generated from operations	**822.81**	**645.64**
	Taxes paid (net of refund)	(151.06)	(218.27)
	Net cash generated from operating activities	**671.75**	**427.37**
B	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment (including capital work-in-progress)	(546.87)	(698.29)
	Acquisition of intangible assets (including intangible asset under development)	(3.77)	(3.02)
	Proceeds from sale of property, plant and equipment	0.54	11.88
	Proceeds from sale of current investments	3,335.53	8,330.19
	Purchase of non-current investments	(198.90)	-
	Purchase of current investments	(3,269.99)	(7,354.00)
	Bank balances not considered as cash and cash equivalents	169.99	(737.41)
	Payment on sale of discontinued operations (net) (note 34)	-	(8.00)
	Interest received	37.76	42.79
	Dividend received		
	- From subsidiaries	26.33	25.93
	- From joint venture	26.49	72.24
	- From others	20.09	25.05
	Net cash used in investing activities	**(402.80)**	**(292.64)**

Standalone Statement of Cash Flows for the year ended March 31, 2021

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
C	**Cash flows from financing activities**		
	Repayment of borrowings	-	(640.16)
	Repayment towards lease liabilities	(3.08)	(8.43)
	Finance costs paid	(9.95)	(73.48)
	Bank balances in dividend and restricted account	1.96	(1.99)
	Dividends paid including distribution tax	(280.19)	(377.26)
	Net cash used in financing activities	**(291.26)**	**(1,101.32)**
	Net decrease in cash and cash equivalents	**(22.31)**	**(966.59)**
	Cash and cash equivalents as at April 1	83.72	1,049.75
	Exchange difference on translation of foreign currency cash and cash equivalents	-	0.56
	Cash and cash equivalents as at March 31 (note 14)	**61.41**	**83.72**

Footnote:

Reconciliation of borrowings and lease liabilities

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Lease liabilities (note 37)	4.85	10.41
Current maturities of finance lease obligations (note 18)	4.10	4.35
	8.95	**14.76**
Repayment of borrowings of continuing operations	-	(640.16)
Repayment towards lease liabilities	(3.08)	(8.43)
Realised foreign exchange loss due to financing activities (net)	-	(48.92)
Transition impact of Ind AS 116 (note 37)	-	4.35
Derecognition of lease	(2.73)	-
Fair value changes (net)	-	39.56
Movement of borrowings and lease liabilities (net)	**(5.81)**	**(653.60)**

The Statement of Cash Flow is prepared using indirect method as prescribed under Ind AS 7.

Notes forming part of the Standalone Financial Statements 1-46

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Mumbai, May 3, 2021

For and on behalf of the Board

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Nandakumar S. Tirumalai — Chief Financial Officer
(ICAI M. No.: 203896)
Rajiv Chandan — General Counsel & Company Secretary
(ICSI M. No.: FCS 4312)

Notes forming part of the Standalone Financial Statements

1. Corporate information

Tata Chemicals Limited (the 'Company') is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India; the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). The Company is a diversified business dealing in basic chemistry products and specialty products. The Company has a global presence with key subsidiaries in United States of America ('USA'), United Kingdom ('UK') and Kenya that are engaged in the manufacture and sale of soda ash, industrial salt and related products. During the previous year, the Company had demerged consumer product business as per Scheme of Arrangement amongst Tata Consumer Products Limited (formerly Tata Global Beverages Limited) ("TCPL") and the Company and their respective shareholders and creditors (note 34).

2. Summary of basis of compliance, basis of preparation and presentation, critical accounting estimates, assumptions and judgements and significant accounting policies

2.1 Basis of compliance

The Standalone Financial Statements comply, in all material aspects, with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act' or 'the 2013 Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The Standalone Financial Statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the Standalone Financial Statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the Standalone Financial Statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

2.3.1. Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

2.3.2 Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

2.3.3 Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3.4 Provisions and contingencies

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the Standalone Financial Statements. Contingent assets are not disclosed in the Standalone Financial Statements unless an inflow of economic benefits is probable.

2.3.5 Impairment of investment in subsidiaries and goodwill

The Company reviews its carrying value of investment in subsidiaries and goodwill carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the Standalone Statement of Profit and Loss.

2.4 Foreign currency translation

The functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates) is the Indian Rupee (₹).

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the Standalone Statement of Profit and Loss.

2.5 Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset.

All other repair and maintenance costs, including regular servicing, are recognised in the Standalone Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated.

Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Asset	Useful life
Salt Works, Water works, Reservoirs and Pans	1-30 years
Plant and Machinery	1-60 years
Traction Lines and Railway Sidings	15 years
Factory Buildings	5-60 years
Other Buildings	5-60 years
Furniture and Fittings and Office Equipment (including Computers and Data Processing Equipment)	1-10 years
Vehicles	4-10 years

Useful lives and residual values of assets are reviewed at the end of each reporting period.

Losses arising from the retirement of, and gains or losses arising from disposal/adjustments of PPE are recognised in the Standalone Statement of Profit and Loss.

2.6 Intangible assets

Intangible assets comprise software licenses, product registration fees and rights to use railway wagon.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of Intangibles are as given below:

Asset	Useful life
Computer software	5 years
Other intangible assets	4-20 years

The estimated useful life is reviewed annually by the management.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Standalone Statement of Profit and Loss.

2.7 Capital work-in-progress ('CWIP') and intangible assets under development

Projects under commissioning and other CWIP/ intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably.

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

2.8 Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note 2.5 above. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Standalone Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Standalone Statement of Profit and Loss in the period of de-recognition.

2.9 Research and development expenses

Research expenses are charged to the Standalone Statement of Profit and Loss as expenses in the year in which they are incurred. Development costs are capitalised as an intangible asset under development when the following criteria are met:

- the project is clearly defined, and the costs are separately identified and reliably measured;
- the technical feasibility of the project is demonstrated;
- the ability to use or sell the products created during the project is demonstrated;
- the intention to complete the project exists and use or sale of output manufactured during the project;
- a potential market for the products created during the project exists or their usefulness, in case of internal use, is demonstrated, such that the project will generate probable future economic benefits; and
- adequate resources are available to complete the project.

These development costs are amortised over the estimated useful life of the projects or the products they are incorporated within. The amortisation of capitalised development costs begins as soon as the related product is released to production.

2.10 Non-current assets held for sale and discontinued operations

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Standalone Balance Sheet.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Standalone Statement of Profit and Loss.

2.11 Financial instruments

2.11.1 Investments and other financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.
- those measured at carrying cost for equity instruments subsidiaries and joint ventures.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Standalone Statement of Profit and Loss or through OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

Measurement

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Standalone Statement of Profit and Loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Standalone Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate ('EIR') method.

- **Fair value through other comprehensive income ('FVTOCI')**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are recorded through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Standalone Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Standalone Statement of Profit and Loss. Interest income from these financial assets is included in other income using the EIR method.

- **Fair value through profit or loss ('FVTPL')**

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment (including current investments) that is subsequently measured at FVTPL (unhedged) is recognised net in the Standalone Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value, except investment in subsidiaries and joint ventures. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Standalone Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to equity. Dividends from such investments are recognised in the Standalone Statement of Profit and Loss within other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Derecognition of financial assets

A financial asset is derecognised only when the Company

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has transferred substantially all risks and rewards of ownership, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.11.2 Debt and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.11.3 Financial liabilities

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Standalone Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Presentation

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.11.4 Derivatives and hedging activities

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations associated with borrowings (cash flow hedges). When the Company opts to undertake hedge accounting, the Company documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised through OCI and as cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Standalone Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Standalone Statement of Profit and Loss on settlement. When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity with respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the Standalone Statement of Profit and Loss as the hedged item affects profit or loss.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively and any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the Standalone Statement of Profit and Loss.

Derivatives that are not designated as hedges

When derivative contracts to hedge risks are not designated as hedges, such contracts are accounted through FVTPL.

As at the year end, there were no designated accounting hedges.

The entire fair value of a hedging derivative is classified as a Non-current asset or liability when the remaining maturity of the hedged item exceeds 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item does not exceed 12 months.

2.11.5 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

2.11.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.11.7 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

2.12 Impairment

Investments in subsidiaries and joint ventures

The Company reviews its carrying value of investment in subsidiaries carried at cost (net of impairment, if any) when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the Standalone Statement of

Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

Other financial assets (other than at fair value)

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures.

PPE, CWIP, intangible assets and goodwill

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit ("CGU"). The carrying values of assets / CGU at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / CGU is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the Standalone Statement of Profit and Loss. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, consequent to which such reversal of impairment loss is recognised in the Standalone Statement of Profit and Loss.

The Company reviews its carrying value of goodwill annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the Standalone Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.13 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary on an item-by-item basis. Cost includes all charges in bringing the goods to their present location and condition, including other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes and duties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Revenue recognition

2.14.1 Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

2.14.2 Interest income

For all debt instruments measured either at amortised cost or at FVTOCI, interest income is recorded using the EIR method.

2.14.3 Dividend income

Dividend income is accounted for when Company's right to receive the income is established.

2.14.4 Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

2.15 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;

The lease liability is measured at amortised cost using the effective interest method.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2.16 Employee benefits plans

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

2.16.1 Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

Contributions to a Provident Fund are made to Tata Chemicals Limited Employees' Provident

Fund Trust, administered by the Company, and are charged to the Standalone Statement of Profit and Loss as incurred. The Trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

For defined benefit schemes in the form of gratuity fund, provident fund, post-retirement medical benefits, pension liabilities (including directors') and family benefit scheme, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date.

The retirement benefit obligation recognised in the Standalone Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the Standalone Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the Standalone Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Standalone Statement of Profit and Loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Standalone Statement of Profit and Loss as past service cost.

2.16.2 Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absence, when the absences occur.

2.16.3 Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the Standalone Statement of Profit and Loss.

2.17 Employee separation compensation

Compensation paid / payable to employees who have opted for retirement under a Voluntary Retirement Scheme including ex-gratia is charged to the Standalone Statement of Profit and Loss in the year of separation.

2.18 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Standalone Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

2.19 Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants and subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Standalone Balance Sheet and transferred to the Standalone Statement of Profit and Loss on systematic and rational basis over the useful lives of the related asset.

2.20 Segment reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director and Chief Executive Officer (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

2.21 Income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Standalone Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Standalone Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Standalone Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

2.22 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current estimate.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not disclosed in the Standalone Financial Statements unless an inflow of economic benefits is probable.

2.23 Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.24 Business combinations

The Company accounts for the common control transactions in accordance with the 'pooling of interest' method prescribed under Ind AS 103 - Business Combination for common control transactions and as per the provisions of respective schemes approved by the regulators, where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

3. Recent Indian Accounting Standard (Ind AS) and note on COVID-19

3.1 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

3.2 Note on COVID-19

The production of soda ash, sodium bicarbonate and specialty products operations has recovered after the initial phases of the lockdown as customers' own operations recommenced.

The Company has taken into account potential impacts of COVID-19 in the preparation of the Standalone Financial Statements. Based on the information currently available there is no material impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets though management continues to monitor changes in future economic conditions. The impact of COVID-19 on the Standalone Financial Statements may differ from that estimated as at the date of approval of these Standalone Financial Statements.

4 Property, plant and equipment

₹ in crore

	Land *	Factory Buildings	Other Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Salt works, Water works, Reservoirs and Pans	Traction Lines and Railway Sidings	Total
Gross Block										
Balance as at April 1, 2019	**42.67**	**176.15**	**144.33**	**1,518.78**	**22.24**	**7.04**	**43.82**	**50.17**	**9.12**	**2,014.32**
Additions/adjustments **	15.05	157.07	27.22	579.89	4.48	1.44	6.41	10.51	0.01	802.08
Disposals	-	(0.07)	(0.16)	(12.12)	(0.04)	(0.40)	(0.42)	-	-	(13.21)
Transferred to Right-of-use assets (note 6)	-	-	(0.17)	(28.35)	-	(0.74)	-	-	-	(29.26)
Transferred to discontinued operations (note 34)	-	-	-	(5.63)	-	-	(0.73)	-	-	(6.36)
Balance as at March 31, 2020	**57.72**	**333.15**	**171.22**	**2,052.57**	**26.68**	**7.34**	**49.08**	**60.68**	**9.13**	**2,767.57**
Additions/adjustments **	(0.27)	84.93	21.10	249.92	13.71	1.14	5.28	9.73	0.18	385.72
Disposals/adjustments	-	(2.48)	-	(64.21)	(0.71)	(2.19)	(0.51)	(15.90)	(1.60)	(87.60)
Transferred to Investment property (note 5)	(15.47)	(11.47)	(12.87)	-	-	-	-	-	-	(39.81)
Balance as at March 31, 2021	**41.98**	**404.13**	**179.45**	**2,238.28**	**39.68**	**6.29**	**53.85**	**54.51**	**7.71**	**3,025.88**
Accumulated Depreciation										
Balance as at April 1, 2019	**-**	**25.85**	**23.55**	**380.44**	**7.36**	**3.66**	**35.79**	**16.76**	**2.77**	**496.18**
Depreciation for the year	-	10.12	4.16	112.47	2.74	1.39	3.82	7.22	0.67	142.59
Disposals/adjustments	-	(0.06)	(0.11)	(8.59)	(0.04)	(0.38)	(0.48)	-	-	(9.66)
Transferred to Right-of-use assets (note 6)	-	-	-	(14.63)	-	(0.61)	-	-	-	(15.24)
Transferred to discontinued operations (note 34)	-	-	-	(2.13)	-	-	(0.56)	-	-	(2.69)
Balance as at March 31, 2020	**-**	**35.91**	**27.60**	**467.56**	**10.06**	**4.06**	**38.57**	**23.98**	**3.44**	**611.18**
Depreciation for the year	-	18.21	5.46	152.54	3.91	0.84	3.20	5.94	0.67	190.77
Disposals/adjustments	-	(2.43)	-	(61.43)	(0.50)	(2.15)	(0.48)	(15.71)	(1.58)	(84.28)
Transferred to Investment property (note 5)	-	(2.46)	(3.12)	-	-	-	-	-	-	(5.58)
Balance as at March 31, 2021	**-**	**49.23**	**29.94**	**558.67**	**13.47**	**2.75**	**41.29**	**14.21**	**2.53**	**712.09**
Net Block as at March 31, 2020	**57.72**	**297.24**	**143.62**	**1,585.01**	**16.62**	**3.28**	**10.51**	**36.70**	**5.69**	**2,156.39**
Net Block as at March 31, 2021	**41.98**	**354.90**	**149.51**	**1,679.61**	**26.21**	**3.54**	**12.56**	**40.30**	**5.18**	**2,313.79**

*Land ₹ 15.05 crore (2020 : ₹ 15.05 crore) for which legal formalities relating to transfer of title are pending.

**Includes ₹ Nil (2020 : ₹ 0.32 crore) preoperative depreciation Capitalised.

5 Investment property

₹ in crore

	Land	Building	Total
Gross Block			
Balance as at April 1, 2019	**1.13**	**23.15**	**24.28**
Disposals	*	-	-
Balance as at March 31, 2020	**1.13**	**23.15**	**24.28**
Transferred from Property, plant and equipment (note 4)	15.47	24.34	39.81
Balance as at March 31, 2021	**16.60**	**47.49**	**64.09**
Accumulated Depreciation			
Balance as at April 1, 2019	**-**	**2.56**	**2.56**
Depreciation for the year	-	0.61	0.61
Balance as at March 31, 2020	**-**	**3.17**	**3.17**
Depreciation for the year	-	0.60	0.60
Transferred from Property, plant and equipment (note 4)	-	5.58	5.58
Balance as at March 31, 2021	**-**	**9.35**	**9.35**
Net Block as at March 31, 2020	**1.13**	**19.98**	**21.11**
Net Block as at March 31, 2021	**16.60**	**38.14**	**54.74**

*value below ₹ 50,000

Footnotes:

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at March 31, 2021 is ₹ 273.39 crore (2020: 133.46 crore) based on external valuation.

Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

Description of valuation technique used

The Company obtains independent valuations of its investment property after every three years. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Company has not earned any material rental income on the above properties.

6 Right-of-use assets

₹ in crore

	Land	Building	Plant and Machinery	Vehicles	Total
Gross Block					
Balance as at April 1, 2019	-	-	-	-	-
Transferred from Property, plant and equipment (note 4)	-	0.17	28.35	0.74	29.26
Transferred from prepaid expenses	1.87	-	-	-	1.87
Transition impact of Ind AS 116 (note 37)	-	4.03	-	-	4.03
Additions	7.74	-	-	-	7.74
Balance as at March 31, 2020	**9.61**	**4.20**	**28.35**	**0.74**	**42.90**
Additions	5.92	-	-	-	5.92
Deletion	-	(2.91)	-	-	(2.91)
Balance as at March 31, 2021	**15.53**	**1.29**	**28.35**	**0.74**	**45.91**
Accumulated amortisation					
Balance as at April 1, 2019	-	-	-	-	-
Transferred from Property, plant and equipment (note 4)	-	-	14.63	0.61	15.24
Amortisation for the year	0.06	0.75	3.68	0.13	4.62
Balance as at March 31, 2020	**0.06**	**0.75**	**18.31**	**0.74**	**19.86**
Amortisation for the year	0.10	0.70	2.25	-	3.05
Disposals	-	(0.68)	-	-	(0.68)
Balance as at March 31, 2021	**0.16**	**0.77**	**20.56**	**0.74**	**22.23**
Net Block as at March 31, 2020	**9.55**	**3.45**	**10.04**	**-**	**23.04**
Net Block as at March 31, 2021	**15.37**	**0.52**	**7.79**	**-**	**23.68**

(Refer note 37 for lease liabilities related disclosures)

7 Other intangible assets

₹ in crore

	Computer software	Others*	Total
Gross Block			
Balance as at April 1, 2019	**6.04**	**6.78**	**12.82**
Additions	1.09	1.82	2.91
Transferred to discontinued operations (note 34)	(0.48)	-	(0.48)
Balance as at March 31, 2020	**6.65**	**8.60**	**15.25**
Additions/Adjustments	1.32	2.70	4.02
Disposals	(0.03)	-	(0.03)
Balance as at March 31, 2021	**7.94**	**11.30**	**19.24**
Accumulated amortisation			
Balance as at April 1, 2019	**2.99**	**3.06**	**6.05**
Amortisation for the year	1.15	0.85	2.00
Transferred to discontinued operations (note 34)	(0.02)	-	(0.02)
Balance as at March 31, 2020	**4.12**	**3.91**	**8.03**
Amortisation for the year	1.25	1.65	2.90
Disposals	(0.03)	-	(0.03)
Balance as at March 31, 2021	**5.34**	**5.56**	**10.90**
Net Block as at March 31, 2020	**2.53**	**4.69**	**7.22**
Net Block as at March 31, 2021	**2.60**	**5.74**	**8.34**

*Others include product registration fees and the wagon rights provided by the Ministry of Railways to carry goods at concessional freight.

8 Investments

	As at March 31, 2021		As at March 31, 2020	
	Holdings No. of securities	Amount ₹ in crore	Holdings No. of securities	Amount ₹ in crore
(a) Investments in equity instruments in subsidiaries and joint ventures (fully paid up) (footnote "ii")				
(i) Subsidiaries (at cost)				
Quoted				
Rallis India Ltd.	9,73,41,610	479.97	9,73,41,610	479.97
Unquoted				
Tata Chemicals International Pte. Limited	48,53,07,852	3,123.75	48,53,07,852	3,123.75
Ncourage Social Enterprise Foundation	25,50,000	2.55	25,50,000	2.55
(ii) Investments in preference shares (fully paid up)				
Unquoted (at cost)				
Direct Subsidiary				
Non Cumulative Redeemable Preference Shares of Tata Chemicals International Pte. Limited	1,61,00,000	750.16	1,61,00,000	750.16
Indirect Subsidiaries				
Non Cumulative Redeemable Preference Shares of Gusiute Holdings (UK) Limited	1,00,00,000	65.18	1,00,00,000	65.18
Non Cumulative Redeemable Preference Shares of Homefield Pvt UK Limited	1,78,50,000	116.34	1,78,50,000	116.34
Less: Impairment #		(116.34)		(116.34)
(iii) Joint ventures (at cost)				
Unquoted				
Indo Maroc Phosphore, S.A. , Morocco	2,06,666	166.26	2,06,666	166.26
Tata Industries Ltd.	98,61,303	170.19	98,61,303	170.19
Total investments		**4,758.06**		**4,758.06**
(b) Other investments				
(i) Investments in equity instruments (Fair value through other comprehensive income)				
Quoted				
The Indian Hotels Co. Ltd.	1,06,89,348	118.49	1,06,89,348	80.17
Oriental Hotels Ltd.	25,23,000	5.75	25,23,000	4.35
Tata Investment Corporation Ltd.	4,41,015	45.67	4,41,015	29.25
Tata Steel Ltd.	30,90,051	250.87	28,90,693	77.93
Tata Steel Ltd. (Partly Paid)	-	-	1,99,358	0.59
Tata Motors Ltd.	19,66,294	59.34	19,66,294	13.97
Titan Company Ltd.	1,38,26,180	2,154.19	1,38,26,180	1,290.97
Unquoted				
The Associated Building Co. Ltd.	550.00	0.02	550.00	0.02
Taj Air Ltd.	40,00,000	-	40,00,000	-
Tata Capital Ltd.	32,30,859	13.02	32,30,859	16.48
Tata International Ltd.	72,000	151.43	48,000	108.48
Tata Projects Ltd.	1,93,500	289.32	1,93,500	222.85
Tata Services Ltd.	1,260	0.13	1,260	0.13
Tata Sons Private Ltd.	10,237	56.86	10,237	56.86
Tata Teleservices Ltd. (footnote 'i') #	-	-	12,85,110	-

	As at March 31, 2021		As at March 31, 2020	
	Holdings No. of securities	Amount ₹ in crore	Holdings No. of securities	Amount ₹ in crore
Unquoted (contd...)				
IFCI Venture Capital Funds Ltd.	2,50,000	0.67	2,50,000	0.67
Kowa Spinning Ltd.	60,000	*	60,000	*
Global Innovation And Technology Alliance (GITA)	15,000	1.50	15,000	1.50
Water Quality India Association	7,100	0.01	7,100	0.01
Total investments (b (i))		**3,147.27**		**1,904.23**
(ii) Investments in non convertible debentures (Fair value through profit and loss)				
Tata International Ltd. (Quoted)	1,500	150.00	-	-
Total investments (b (i+ii))		**3,297.27**		**1,904.23**
Aggregate amount of quoted investments		3,264.28		1,977.20
Aggregate market value of quoted investments		5,245.11		3,207.52
Aggregate carrying value of unquoted investments		4,791.05		4,685.09
# Aggregate amount of impairment in value of unquoted Investments		116.34		117.85

Footnote:

(i) Details of country of incorporation, nature of business and % equity interest have been disclosed in note 38 of the Consolidated Financial Statements for the year ended March 31, 2021.

*value below ₹ 50,000/-

(c) Current investments (Fair value through profit and loss)

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Unquoted		
Investment in mutual funds	1,281.81	1,301.33
Total current investments	**1,281.81**	**1,301.33**

9. Loans

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Non-Current		
(a) Other loans (Unsecured, considered good)		
(i) Loans to employees (footnote 'i')	0.62	0.92
	0.62	**0.92**
Current		
(a) Other loans (Unsecured, considered good)		
(i) Loans to employees (footnote 'i')	0.17	0.23
(ii) Loans to related parties (note 43 (b))	676.40	700.03
Less : Impairment (note 43 (b))	(676.40)	(700.03)
	-	-
	0.17	**0.23**

Footnote:

(i) Loans to employees includes ₹ Nil (2020: ₹ Nil) due from officer of the Company. Maximum balance outstanding during the year is ₹ Nil (2020: ₹ Nil).

10. Other financial assets

₹ in crore

		As at March 31, 2021	As at March 31, 2020
Non-Current			
(a)	Fixed deposits with banks	0.26	0.26
		0.26	**0.26**
Current			
(a)	Claim receivable - Related party (note 43 (b))	9.56	4.92
(b)	Derivatives (note 40)	-	1.64
(c)	Accrued interest income	11.91	2.22
(d)	Advance recoverable - Related party (footnote 'i') (note 43 (b))	60.39	65.38
(e)	Subsidy receivable (net) (footnote 'ii')	35.22	60.08
(f)	Others	1.64	3.07
		118.72	**137.31**

Footnotes:

(i) Advance recoverable from related party is short term in nature and receivable on demand.

(ii) Subsidy receivable from the Government relates to Phosphatic Fertiliser business and Trading business.

11. Other assets

₹ in crore

		As at March 31, 2021	As at March 31, 2020
Non-Current			
(a)	Capital advances	237.19	115.52
(b)	Deposit with public bodies and others	51.13	62.53
(c)	Prepaid expenses	3.22	6.18
		291.54	**184.23**
Current			
(a)	Prepaid expenses	6.76	6.20
(b)	Advance to suppliers	21.85	30.01
	Less: Allowances for bad and doubtful advances	(0.05)	(0.08)
		21.80	**29.93**
(c)	Statutory receivables	94.77	107.24
(d)	Others	-	0.59
		123.33	**143.96**

12. Inventories

₹ in crore

		As at March 31, 2021	As at March 31, 2020
(a)	Raw materials	326.30	502.67
(b)	Work-in-progress	29.55	40.49
(c)	Finished goods	56.20	86.99
(d)	Stock in trade	42.57	12.43
(e)	Stores, spare parts and packing materials (net)	67.02	58.59
		521.64	**701.17**
Footnotes:			
(i)	Inventories includes goods in transit:		
	- Raw materials	35.69	47.05
	- Stock in trade	8.91	5.66
	- Stores and spare parts and packing materials	0.36	0.62

(ii) The cost of inventories recognised as an expense includes ₹ 7.29 crore (2020: ₹ 0.60 crore) in respect of write-down of inventories to net realisable value.

(iii) Inventories have been offered as security against the working capital facilities provided by the bank.

13. Trade receivables

₹ in crore

		As at March 31, 2021	As at March 31, 2020
Current			
(a)	Secured, considered good	6.30	3.99
(b)	Unsecured, considered good	138.62	135.85
(c)	Unsecured, credit impaired	56.93	56.81
	Less: Impairment loss allowance	(56.93)	(56.81)
		144.92	**139.84**

Footnotes:

(i) The Company has appropriate levels of control procedures for new customers which ensures the potential customer's credit quality. Credit limits attributed to customers are reviewed periodically by the Management.

(ii) Movement in credit impaired

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	56.81	68.36
Credit impaired pertaining to discontinued operations (note 34)	-	(11.43)
Provision during the year	0.30	0.17
Reversal during the year	(0.18)	(0.29)
Balance at the end of the year	**56.93**	**56.81**

(iii) Trade receivables have been offered as security against the working capital facilities provided by the bank.

14. Cash and cash equivalents and other bank balances

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents:		
(a) Balance with banks	61.41	83.70
(b) Cash on hand	-	0.02
Cash and cash equivalents as per Statement of Cash Flow	**61.41**	**83.72**
Other bank balances:		
(a) Earmarked balances with banks	18.74	20.70
(b) Deposit accounts (with original maturity less than 12 months from the Balance Sheet date)	605.17	775.16
	623.91	**795.86**

Footnote:

(i) **Non cash transactions**

The Company has not entered into any non cash investing and financing activities.

15 Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	No of shares	₹ in crore	No of shares	₹ in crore
(a) Authorised:				
Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
(b) Issued :				
Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
(c) Subscribed and fully paid up:				
Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
(d) Forfeited shares:				
Amount originally paid-up on forfeited shares	86,320	0.06	86,320	0.06
		254.82		**254.82**

Footnotes:

(i) The movement in number of shares and amount outstanding at the beginning and at the year end

	Year ended March 31, 2021		Year ended March 31, 2020	
	No of shares	₹ in crore	No of shares	₹ in crore
Issued share capital:				
Ordinary shares :				
Balance as at April 1,	25,48,42,598	254.84	25,48,42,598	254.84
Balance as at March 31	**25,48,42,598**	**254.84**	**25,48,42,598**	**254.84**
Subscribed and paid up:				
Ordinary shares :				
Balance as at April 1,	25,47,56,278	254.76	25,47,56,278	254.76
Balance as at March 31	**25,47,56,278**	**254.76**	**25,47,56,278**	**254.76**

(ii) Terms/ rights attached to equity shares

The Company has issued one class of ordinary shares at par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% shares.

	As at March 31, 2021		As at March 31, 2020	
	No of shares	%	No of shares	%
Ordinary shares with voting rights				
(i) Tata Sons Private Ltd.	8,12,60,095	31.90	7,26,25,673	28.51
(ii) Life Insurance Corporation of India	1,86,10,802	7.31	1,68,84,036	6.63
(iii) Tata Investment Corporation Ltd.	1,52,00,001	5.97	1,52,00,001	5.97
(iv) ICICI Prudential Mutual fund	*	*	1,60,79,641	6.31

*Not holding more than 5% shares

16. Other equity

₹ in crore

		As at March 31, 2021	As at March 31, 2020
1	Capital reserve and other reserves from amalgamation	1,522.74	1,522.74
2	Securities premium	1,258.21	1,258.21
3	Capital redemption reserve	0.10	0.10
4	Debenture redemption reserve	-	-
5	General reserve	1,411.94	1,411.94
6	Retained earnings	6,078.31	5,859.58
7	Equity instruments through other comprehensive income	2,731.05	1,669.93
Total other equity		**13,002.35**	**11,722.50**

The movement in other equity

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
16.1	**Capital reserve and other reserves from amalgamation**		
	Balance at the beginning of the year	1,522.74	1,522.74
	Balance at the end of the year	**1,522.74**	**1,522.74**
	Footnote: Capital reserve represents the difference between the consideration paid and net assets received under common control business combination transaction. It can be utilised in accordance with the provisions of the 2013 Act.		
16.2	**Securities premium**		
	Balance at the beginning of the year	1,258.21	1,258.21
	Balance at the end of the year	**1,258.21**	**1,258.21**
	Footnote: Securities premium is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.		
16.3	**Capital redemption reserve**		
	Balance at the beginning of the year	0.10	0.10
	Balance at the end of the year	**0.10**	**0.10**
16.4	**Debenture redemption reserve**		
	Balance at the beginning of the year	-	240.00
	Transferred to General reseve	-	(240.00)
	Balance at the end of the year	**-**	**-**
	Footnote: The Company is required to create a debenture redemption reserve out of the profits which is available for the purpose of redemption of debentures, which has been redeemed during the previous year.		

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
16.5	**General reserve**		
	Balance at the beginning of the year	1,411.94	1,171.94
	Transferred from Debenture redemption reserve	-	240.00
	Balance at the end of the year	**1,411.94**	**1,411.94**
	Footnote:		
	The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.		
16.6	**Retained earnings**		
	Balance at the beginning of the year	5,859.58	5,742.38
	Transition impact of Ind AS 116	-	(0.21)
	Restated balance	**5,859.58**	**5,742.17**
	Profit for the year	479.11	6,840.22
	Remeasurement of defined employee benefit plans (net of tax)	21.36	(37.59)
	Dividend (including tax on dividend ₹ Nil (2020: ₹ 60.45 crore))	(280.23)	(378.90)
	Deemed dividend on demerger (note 34)	-	(6,307.97)
	Refund of tax on dividend	-	1.65
	Transfer from equity instruments through other comprehensive income	(1.51)	-
	Balance at the end of the year (footnote 'ii')	**6,078.31**	**5,859.58**
	Footnotes:		
	(i) The Board of Directors has recommended a final dividend of 100 % (2020: 110 %) for the financial year 2020-21 ₹10.00 per share (2020: ₹ 11.00 per share) which is subject to approval of shareholders.		
	(ii) Includes balance of remeasurement of net defined benefit plans loss of ₹ 45.84 crore (2020: ₹ 67.20 crore).		
	(iii) Retained earnings represents net profits after distributions and transfers to other reserves.		
16.7	**Equity instruments through other comprehensive income**		
	Balance at the beginning of the year	1,669.93	2,174.78
	Changes in fair value of equity instruments at FVTOCI (net of tax)	1,059.61	(504.85)
	Transfer to retained earnings	1.51	-
	Balance at the end of the year	**2,731.05**	**1,669.93**
	Footnote:		
	This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

17. Lease liabilities

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Lease liabilities (note 37)	4.85	10.41
	4.85	**10.41**

18. Other financial liabilities

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Non-Current		
(a) Pension payable on employee separation scheme	0.11	0.17
	0.11	**0.17**
Current		
(a) Current maturities of lease liabilities (note 37)	4.10	4.35
(b) Creditors for capital goods	65.64	80.21
(c) Unclaimed dividend (footnote 'i')	18.77	18.73
(d) Unclaimed debenture interest	0.01	0.01
(e) Derivatives (note 40)	1.09	-
(f) Security deposit from customers	22.19	22.86
(g) Accrued expenses	57.32	52.59
(h) Others	0.75	8.29
	169.87	**187.04**

Footnote:

(i) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for ₹ 0.55 crore (2020: ₹ 0.57 crore), wherein legal disputes with regards to ownership have remained unresolved.

19. Provisions

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Non-Current		
(a) Provision for employee benefits		
(i) Pension and other post retirement benefits (note 38)	147.58	158.84
(ii) Long service awards	2.15	2.42
	149.73	**161.26**
(b) Other provisions (footnote 'i')	2.12	2.11
	151.85	**163.37**
Current		
(a) Provision for employee benefits		
(i) Pension and other post retirement benefits (note 38)	6.01	5.66
(ii) Compensated absences and long service awards	43.65	46.57
	49.66	**52.23**
(b) Other provisions (footnote 'i')	154.52	147.41
	204.18	**199.64**

Footnote:

(i) **Other provisions include:**

₹ in crore

	Asset retirement obligation (1)	Provision for litigations and others (2)	Total
Balance as at March 31, 2019	**15.30**	**139.55**	**154.85**
Provisions pertaining to discontinued operation (refer note 34)	-	7.84	7.84
Provisions recognised during the year	0.06	4.12	4.18
Payments / utilisation during the year	-	(17.35)	(17.35)
Balance as at March 31, 2020	**15.36**	**134.16**	**149.52**
Provisions pertaining to discontinued operation (Phosphatic Fertilisers business)	-	7.84	7.84
Provisions recognised during the year	0.01	3.21	3.22
Payments during the year	-	(3.94)	(3.94)
Balance as at March 31, 2021	**15.37**	**141.27**	**156.64**
Balance as at March 31, 2020			
Non-Current	2.11	-	2.11
Current	13.25	134.16	147.41
Total	**15.36**	**134.16**	**149.52**
Balance as at March 31, 2021			
Non-Current	2.12	-	2.12
Current	13.25	141.27	154.52
Total	**15.37**	**141.27**	**156.64**

Nature of provisions :

1) Provision for asset retirement obligation includes provision towards site restoration expense and decomissioning charges. The timing of the outflows is expected to be within a period of one to thirty years from the date of Balance Sheet.

2) Provision for litigations and others represents management's best estimate of outflow of economic resources in respect of water charges, entry tax, land revenue and other disputed items including direct taxes, indirect taxes and other claims. The timing of outflows is uncertain and will depend on the cessation of the respective cases.

20. Deferred tax assets and liabilities

₹ in crore

	As at March 31, 2021	As at March 31, 2020
(a) Deferred tax assets	(61.92)	(151.88)
(b) Deferred tax liabilities	263.85	211.43
Deferred tax liabilities (net)	**201.93**	**59.55**

2020-21

₹ in crore

	As at April 1, 2020	Recognised in the Statement of Profit and Loss (continuing operations)	Recognised in the Statement of Profit and Loss (discontinued operation)	Recognised in other comprehensive income	Transferred to Discontinued operation (note 34)	Transition impact of Ind AS 116 (note 37)	As at March 31, 2021
Deferred tax (assets)/liabilities in relation to:							
Allowance for doubtful debts and advances	(25.40)	-	-	-	-	-	(25.40)
Accrued expenses allowed in the year of payment and on fair value of investments	(86.68)	(11.30)	-	142.01	-	-	44.03
Mark to market gains on mutual funds and derivatives	24.46	0.84	-	-	-	-	25.30
Depreciation and amortisation	186.97	7.55	-	-	-	-	194.52
Right-of-use assets and lease liability	(9.49)	1.46	-	-	-	-	(8.03)
Expenses disallowed (including other payables)	(30.31)	1.82	-	-	-	-	(28.49)
	59.55	**0.37**	**-**	**142.01**	**-**	**-**	**201.93**
Deferred tax (assets)/liabilities in relation to:					**Assets**	**Liabilities**	**Net**
Allowance for doubtful debts and advances					(25.40)	-	(25.40)
Accrued expenses allowed in the year of payment and on fair value of investments					-	44.03	44.03
Mark to market gains on mutual funds and derivatives					-	25.30	25.30
Depreciation and amortisation					-	194.52	194.52
Right-of-use assets and lease liability					(8.03)	-	(8.03)
Expenses disallowed (including other payables)					(28.49)	-	(28.49)
					(61.92)	**263.85**	**201.93**

2019-20

₹ in crore

	As at April 1, 2019	Recognised in the Statement of Profit and Loss (continuing operations)	Recognised in the Statement of Profit and Loss (discontinued operation)	Recognised in other comprehensive income	Transferred to Discontinued operation (note 34)	Transition impact of Ind AS 116 (note 37)	As at March 31, 2020
Deferred tax (assets)/liabilities in relation to:							
Allowance for doubtful debts and advances	(44.07)	14.68	-	-	3.99	-	(25.40)
Accrued expenses allowed in the year of payment and on fair value of investments	(28.40)	13.91	(6.77)	(65.42)	-	-	(86.68)
Mark to market gains on mutual funds and derivatives	19.94	4.52	-	-	-	-	24.46
Depreciation and amortisation	242.74	(55.77)	-	-	-	-	186.97
Right-of-use assets and lease liability	-	(9.21)	-	-	(0.17)	(0.11)	(9.49)
Expenses disallowed (including other payables)	(0.42)	-	(31.86)	-	1.97	-	(30.31)
	189.79	**(31.87)**	**(38.63)**	**(65.42)**	**5.79**	**(0.11)**	**59.55**
Deferred tax (assets)/liabilities in relation to:					**Assets**	**Liabilities**	**Net**
Allowance for doubtful debts and advances					(25.40)	-	(25.40)
Accrued expenses allowed in the year of payment and on fair value of investments					(86.68)	-	(86.68)
Mark to market gains on mutual funds and derivatives					-	24.46	24.46
Depreciation and amortisation					-	186.97	186.97
Right-of-use assets and lease liability					(9.49)	-	(9.49)
Expenses disallowed (including other payables)					(30.31)	-	(30.31)
					(151.88)	**211.43**	**59.55**

21. Other liabilities

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Non-current		
(a) Deferred income	10.50	10.50
	10.50	**10.50**
Current		
(a) Statutory dues	43.57	41.90
(b) Advance received from customers	4.07	4.84
(c) Others	0.12	-
	47.76	**46.74**

22. Trade payables

₹ in crore

		As at March 31, 2021	As at March 31, 2020
(a)	Trade payables (footnote 'i')	477.92	571.16
(b)	Amount due to Micro Small and Medium Enterprises (footnote 'ii')	3.73	3.83
		481.65	**574.99**

Footnotes:

(i) Trade payables are non-interest bearing and are normally settled within 60 days.

(ii) According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

₹ in crore

			As at March 31, 2021	As at March 31, 2020
1	(a)	Principal overdue amount remaining unpaid to any supplier	0.11	0.23
	(b)	Interest on 1(a) above	*	-
2	(a)	The amount of principal paid beyond the appointed date	5.30	23.40
	(b)	The amount of interest paid beyond the appointed date	-	0.01
3		Amount of interest due and payable on delayed payments	0.01	0.02
4		Amount of interest accrued and remaining unpaid as at year end	0.01	0.02
5		The amount of further interest due and payable even in the succeeding year	-	-

*value below ₹ 50,000

23. Tax assets

₹ in crore

		As at March 31, 2021	As at March 31, 2020
(a)	**Tax assets**		
	Non-current - Advance tax assets (net)	574.90	588.94

24. Tax liabilities

₹ in crore

		As at March 31, 2021	As at March 31, 2020
(a)	Current tax liabilities (net)	135.41	166.02

25. Revenue from operations

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Sales of products (footnote 'i' and 'ii')	2,984.26	2,894.02
(b)	Other operating revenues		
	(i) Sale of scrap	14.02	17.29
	(ii) Others	0.60	8.98
		14.62	**26.27**
		2,998.88	**2,920.29**
Footnotes:			
(i)	**Reconciliation of sales of products**		
	Revenue from contracts with customer	3,121.62	2,994.29
	Adjustments made to contract price on account of:		
	(a) Discounts / rebates / incentives	(137.36)	(100.27)
		2,984.26	**2,894.02**

(ii) For operating segments revenue, geographical segments revenue, revenue from major products and revenue from major customers refer note 39.1.

26. Other income

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	**Dividend income from**		
	(i) Non-current investments in		
	- Subsidiaries	26.33	25.93
	- Joint venture	26.49	72.24
	- Other non-current investments	20.09	25.05
		72.91	123.22
(b)	**Interest income**		
	(i) On bank deposits (financial assets at amortised cost)	29.49	40.92
	(ii) On loans and advances (financial assets at amortised cost)	0.03	0.05
	(iii) Other interest (financial assets at FVTPL)	17.82	0.02
		47.34	40.99
(c)	**Interest on refund of taxes**	18.42	0.33
(d)	**Others**		
	(i) Corporate guarantee commission	6.00	1.98
	(ii) Profit on sale of assets (net)	-	8.34
	(iii) Gain on sale/redemption of investments (net)	45.82	121.27
	(iv) Foreign exchange gain (net)	-	2.74
	(v) Miscellaneous income (footnote 'i')	28.66	10.28
		80.48	144.61
		219.15	309.15

Footnote:

(i) Miscellaneous income primarily includes town income, rent income and liabilities written back.

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Work-in-progress	40.49	14.64
Finished goods	86.99	89.84
Stock in trade	12.43	51.85
	139.91	**156.33**
Closing stock		
Work-in-progress	29.55	40.49
Finished goods	56.20	86.99
Stock in trade	42.57	12.43
	128.32	**139.91**
Less : Inventory on account of Discontinued operation (note 34)	-	92.83
	11.59	**(76.41)**

28. Employee benefits expense

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries, wages and bonus	183.50	191.33
(b) Contribution to provident and other funds	30.95	15.56
(c) Staff welfare expense	35.97	43.39
	250.42	**250.28**

Footnote:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its Financial Statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

29. Finance costs

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest costs		
(i) Interest on loans at amortised cost	0.01	24.88
(ii) Interest on obligations under leases (note 37)	0.79	1.57
(b) Translation differences (footnote 'i')	-	0.51
(c) Discount and other charges	17.94	16.41
	18.74	**43.37**

Footnote:

(i) Translation differences on foreign currency loans regarded as borrowing cost net of changes in fair value of derivative contracts.

30. Depreciation and amortisation expense

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Depreciation of property, plant and equipment	190.77	142.27
(b)	Depreciation of investment property	0.60	0.61
(c)	Amortisation of right-of-use assets	3.05	4.62
(d)	Amortisation of intangible assets	2.90	2.00
		197.32	**149.50**

31. Other Expenses

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Stores and spare parts consumed	96.03	70.02
(b)	Packing materials consumed	90.63	76.49
(c)	Power and fuel	488.75	555.18
(d)	Repairs - Buildings	6.97	6.77
	- Machinery	62.00	62.82
	- Others	1.23	0.72
(e)	Rent	7.43	5.94
(f)	Royalty, rates and taxes	40.99	29.51
(g)	Foreign exchange loss (net)	4.15	-
(h)	Distributors' service charges	0.87	2.49
(i)	Sales promotion expenses	1.97	12.13
(j)	Insurance charges	13.98	6.04
(k)	Freight and forwarding charges	423.16	390.06
(l)	Loss on assets sold, discarded or written off (net)	2.78	-
(m)	Bad debts written off	0.13	4.11
(n)	Provision for doubtful debts, advances and other receivables (net)	0.05	5.29
(o)	Directors' fees and commission	7.02	7.44
(p)	Auditors' remuneration (footnote 'i')	3.04	2.48
(q)	Expenditure towards Corporate Social Responsibility (CSR) (footnote 'ii')	20.92	37.81
(r)	Donations and contributions	2.40	5.23
(s)	Others	98.60	111.54
		1,373.10	**1,392.07**

Footnotes:

(i)	**Auditors' remuneration**		
	Statutory Auditors		
	a) For services as auditor	2.67	1.97
	b) For other services (including certification)	0.23	0.31
	c) for reimbursement of expenses	0.06	0.11
	Cost Auditors		
	a) For services as auditor	0.08	0.09
		3.04	**2.48**

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(ii)	Amount required to be spent by the Company during the year on CSR is ₹ 18.51 crore (2020: ₹ 21.39 crore) whereas the Company has spent ₹ 20.92 crore (2020: ₹ 37.81 crore). The Company has spent the following amounts during the year on the activities other than construction/acquisition of any asset.		
1)	Health care, nutrition, sanitation and safe drinking water	5.29	7.02
2)	Environmental sustainability	2.39	20.39
3)	Poverty alleviation, livelihood enhancement and infrastructure support	2.00	1.24
4)	Education and vocational skill development	7.53	4.50
5)	Inclusive growth and empowerment	1.40	0.20
6)	Promotion and development of traditional arts and handicrafts	1.25	2.46
7)	Contribution to Prime Minister's National Relief fund/other relief funds	0.27	0.77
8)	Other approved activities	0.79	1.23
		20.92	**37.81**

32. Expenditure incurred on Scientific Research and Development activities@

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Revenue Expenditure (note 28 and 31 of Standalone Statement of Profit and Loss includes) :**		
	(a) Innovation Centre, Pune	21.96	26.82
	(b) Mithapur, Okhalamandal	0.07	0.07
	(c) Nellore - Andhra Pradesh	0.85	1.48
(ii)	**Capital expenditure**		
	(a) Innovation Centre, Pune	5.30	1.26
	(b) Nellore - Andhra Pradesh	0.06	0.87

@The above figure are based on the separate account for the research, and development (R&D) centres of the Company. The centres at Innovation Centre, Pune and Mithapur, Okhamandal are recognised by Department of Scientific and Industrial Research, Ministry of Science and Technology ('DSIR') for in-house research.

33. Income tax expense relating to continuing operations

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Tax expense		
	Current tax		
	In respect of the current year	134.49	194.37
		134.49	**194.37**
	Deferred tax		
	In respect of the current year (note 20)	0.37	(31.87)
		0.37	**(31.87)**
	Total tax expense	**134.86**	**162.50**
(b)	**The income tax expenses for the year can be reconciled to the accounting profit as follows:**		
	Profit before tax from continuing operations	**613.97**	**834.32**
	Income tax expenses calculated at 25.168 % (2020 : 25.6256 %)	154.52	213.80
	Effect of income that is deductible/exempt from taxation	(18.35)	(18.67)
	Effect of expenses not deductible for tax computation	5.87	11.07
	Effect of other permanent differences (goodwill)	-	(2.19)
	Effect of rate change adjustments in deferred tax (footnote 'i')	-	(39.20)
	Others (including actuarial impact on OCI)	(7.18)	(2.31)
		134.86	**162.50**

Footnote:

(i) During the quarter ended September 30, 2019, the Company decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the previous financial year. Accordingly, the provision for income tax and deferred tax balances have been recorded/ remeasured using the new tax rate and the Company had reversed deferred tax liabilities amounting to ₹ 39.20 crore.

34. Discontinued operations

Disposal of consumer products business

The National Company Law Tribunal ("NCLT"), Mumbai and NCLT Kolkata, on January 10, 2020 and January 8, 2020 respectively, sanctioned the Scheme of Arrangement amongst Tata Consumer Products Limited (formerly Tata Global Beverages Limited) ("TCPL") and the Company and their respective shareholders and creditors ("the Scheme") for the demerger of the Consumer Products Business Unit ("CPB") of the Company to TCPL. The Scheme became effective on February 7, 2020 upon filing of the certified copies of the NCLT Orders sanctioning the Scheme with the respective jurisdictional Registrar of Companies. Pursuant to the Scheme becoming effective, the CPB is demerged from the Company and transferred to and vested in TCPL with effect from April 1, 2019 i.e. the Appointed Date.

As per the clarification issued by Ministry of Corporate Affairs vide Circular no. 09/2019 dated August 21, 2019 (MCA Circular), the Company has recognised the effect of the demerger on April 1, 2019 and debited the fair value as at April 1, 2019 of Demerged Undertaking i.e. fair value of net assets of CPB to be distributed to the shareholders of the Company, amounting to ₹ 6,307,97 crore to the retained earnings in the Statement of Changes in Equity as dividend distribution. The difference in the fair value and the carrying amount of net assets of CPB as at April 1, 2019 is recognised as gain on demerger of CPB in the Statement of Profit and Loss as an exceptional item, amounting to ₹ 6,220.15 crore (net of transaction cost) during the year ended March 31, 2020.

The financial performance and cash flows for discontinued operations till the effective date of sale:

(a) Analysis of profit from discontinued operations

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Exceptional gain/(loss)		
Gain on disposal of discontinued operations (note 34 (b))	-	6,220.15
Pertaining to Phosphatic Fertilisers business and Trading business (footnote 'i')	-	(26.71)
Pertaining to urea and customised fertilisers business (footnote 'i')	-	(65.36)
Profit before tax	**-**	**6,128.08**
Current tax	-	(1.69)
Deferred tax	-	(38.63)
Profit after tax	**-**	**6,168.40**

Footnote:

(i) Includes provisions made, relating to the erstwhile fertilizer businesses, as per revised notifications issued by the concerned department for change in rate of subsidy for previous years.

(b) Gain on disposal of discontinued operations:

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Consideration (Deemed dividend to shareholders)	-	6,307.97
Transaction costs (demerger expenses)	-	(33.00)
Other adjustments	-	22.57
Net assets transferred(footnote i)	-	(77.39)
Gain on disposal	**-**	**6,220.15**

Footnote:

(i) Information of assets and liabilities transferred as per the Scheme on the appointed date

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment and intangible assets (including CWIP)	-	4.13
Deferred tax assets (net)	-	5.79
Other non-current assets	-	0.95
Inventories	-	154.00
Trade receivables and other financial receivables	-	81.43
Other current assets	-	20.70
Total Assets (A)	**-**	**267.00**
Other non-current liabilities	-	2.39
Other current liabilities	-	187.22
Total Liabilities (B)	**-**	**189.61**
Net assets (A - B)	**-**	**77.39**

35 Earnings per share

	Year ended March 31, 2021	Year ended March 31, 2020
Basic and Diluted earnings per share (₹)		
From continuing operations (₹)	18.81	26.37
From discontinued operations (₹)	-	242.13
Total Basic and Diluted earnings per share (₹)	**18.81**	**268.50**

Footnotes:

The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows.

(a) Earnings used in the calculation of basic and diluted earnings per share:	₹ in crore	₹ in crore
Profit for the year from continuing operations	479.11	671.82
Profit for the year from discontinued operations	-	6,168.40
	479.11	**6,840.22**

(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:	No. of Shares	No. of Shares
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share from continuing operations and from discontinued operations	25,47,56,278	25,47,56,278

36 Business combination

During the previous year, The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench on April 23, 2020 approved the Scheme of Merger by Absorption of Bio Energy Venture-1 (Mauritius) Pvt. Ltd. ('Bio'), a wholly owned subsidiary of the Company, by the Company ('Scheme'), with an Appointed Date of April 1, 2019.

37 Leases

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	4.92	5.49
One to five years	5.02	11.24
More than five years	-	0.56
Total undiscounted lease liabilities	**9.94**	**17.29**
Discounted Cash flows		
Current	4.10	4.35
Non-Current	4.85	10.41
Lease liabilities	**8.95**	**14.76**

Expenses relating to short-term leases and low value assets have been disclosed under rent in note 31(e).

The incremental borrowing rate of 8.00% per annum to 9.00% per annum (2020: 8.00% per annum to 9.50% per annum) has been applied to lease liabilities recognised in the Standalone Balance Sheet.

38 Employee benefits obligations

(a) The Company makes contributions towards provident fund, in substance a defined benefit retirement plan and towards pension fund and superannuation fund which are defined contribution retirement plans for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. The Company is liable to pay to the provident fund to the extent of the amount contributed and any shortfall in the fund assets based on Government specified minimum rates of return relating to current services. The Company recognises such contribution and shortfall if any as an expense in the year incurred.

On account of the above contribution plans, a sum of ₹ 10.11 crore (2020: ₹ 10.00 crore) has been charged to the Standalone Statement of Profit and Loss.

(b) The Company makes annual contributions to the Tata Chemicals Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The trustees of the trust fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

The Company also provides post retirement medical benefits to eligible employees under which employees at Mithapur who have retired from service of the Company are entitled for free medical facility at the Company hospital during their lifetime. Other employees are entitled to domiciliary treatment exceeding the entitled limits for the treatments covered under the Health Insurance Scheme upto slabs defined in the scheme. The floater mediclaim policy also covers retired employees based on eligibility, for such benefit.

The Company provides pension, housing / house rent allowance and medical benefits to retired Managing and Executive Directors who have completed ten years of continuous service in Tata Group and three years of continuous service as Managing Director/ Executive Director or five years of continuous service as Managing Director/Executive Director. The directors are entitled upto seventy five percent of last drawn salary for life and on death 50% of the pension is payable to the spouse for the rest of his/her life.

Family benefit scheme is applicable to all permanent employees in management, officers and workmen who have completed one year of continuous service. In case of untimely death of the employee, nominated beneficiary is entitled to an amount equal to the last drawn salary (Basic Salary, DA and FDA) till the normal retirement date of the deceased employee.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(c) The following tables set out the funded status and amounts recognised in the Company's Standalone Financial Statements as at March 31, 2021 for the Defined Benefit Plans.

1 Changes in the defined benefit obligation:

₹ in crore

	As at March 31, 2021				As at March 31, 2020			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
At the beginning of the year	**84.97**	**78.27**	**55.08**	**11.66**	**75.41**	**48.93**	**43.12**	**11.51**
Current service cost	4.38	2.28	0.69	1.18	3.38	1.19	0.45	0.99
Past service cost	14.14	-	-	-	-	7.55	-	-
Interest cost	4.80	4.68	3.25	0.68	5.07	3.55	3.22	0.76
Remeasurement (gain)/loss								
Actuarial (gain) / loss arising from:								
- Change in financial assumptions	(2.80)	(6.26)	(3.05)	(0.34)	9.21	18.19	10.18	1.17
- Experience adjustments	(4.58)	3.14	(0.99)	(1.27)	3.14	2.63	0.42	(0.76)
Transfer out *	-	-	-	-	(3.77)	-	-	-
Benefits paid	(9.16)	(1.73)	(2.41)	(1.03)	(7.47)	(1.69)	(2.31)	(0.95)
	91.75	**80.38**	**52.57**	**10.88**	**84.97**	**80.35**	**55.08**	**12.72**
Extinguishment to discontinued operations	-	-	-	-	-	(2.08)	-	(1.06)
At the end of the year	**91.75**	**80.38**	**52.57**	**10.88**	**84.97**	**78.27**	**55.08**	**11.66**

*Pertaining to consumer product business.

2 **Changes in the fair value of plan assets:**

₹ in crore

	As at March 31, 2021				As at March 31, 2020			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
At the beginning of the year	**79.19**	**-**	**-**	**-**	**81.37**	**-**	**-**	**-**
Interest on plan assets	4.62	-	-	-	5.81	-	-	-
Employer's contributions	9.12	-	-	-	(0.38)	-	-	-
Remeasurement gain/(loss)	-							
Annual return on plan assets less interest on plan assets	0.57	-	-	-	(0.14)	-	-	-
Benefits paid	(9.16)	-	-	-	(7.47)	-	-	-
Value of plan assets at the end of the year	**84.34**	**-**	**-**	**-**	**79.19**	**-**	**-**	**-**
(Asset)/liability (net)	**7.41**	**80.38**	**52.57**	**10.88**	**5.78**	**78.27**	**55.08**	**11.66**

3 **Net employee benefit expense for the year:**

₹ in crore

	As at March 31, 2021				As at March 31, 2020			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Current service cost	4.38	2.28	0.69	1.18	3.38	1.19	0.45	0.99
Past service cost	14.14	-	-	-	-	7.55	-	-
Interest on defined benefit obligation (net)	0.18	4.68	3.25	0.68	(0.74)	3.55	3.22	0.76
Extinguishment to discontinued operations	-	-	-	-	-	(2.08)	-	(1.06)
Components of defined benefits costs recognised in the Standalone Statement of Profit and Loss	**18.70**	**6.96**	**3.94**	**1.86**	**2.64**	**10.21**	**3.67**	**0.69**
Remeasurement								
Actuarial (gain) / loss arising from:								
- Change in financial assumptions	(2.80)	(6.26)	(3.05)	(0.34)	9.21	18.19	10.18	1.17
- Experience changes	(4.58)	3.14	(0.99)	(1.27)	3.14	2.63	0.42	(0.76)
Impact of asset ceiling	-	-	-	-	(0.17)	-	-	-
Return on plan assets less interest on plan assets	(0.57)	-	-	-	0.14	-	-	-
Components of defined benefits costs recognised in other comprehensive income	**(7.95)**	**(3.12)**	**(4.04)**	**(1.61)**	**12.32**	**20.82**	**10.60**	**0.41**
Net benefit expense	**10.75**	**3.84**	**(0.10)**	**0.25**	**14.96**	**31.03**	**14.27**	**1.10**

4 Categories of the fair value of total plan assets :

₹ in crore

	As at March 31, 2021 Gratuity	As at March 31, 2020 Gratuity
Government of India Securities (Quoted)	6.97	7.10
Corporate Bonds (Quoted)	0.66	3.52
Fund Managed by Life Insurance Corporation of India (Unquoted)	76.70	68.55
Others	0.01	0.02
Total	**84.34**	**79.19**

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

5 Risk Exposure :

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

Investment risk :	If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower, and the funding level higher than expected.
Changes in bond yields :	A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Longevity risk :	If improvements in life expectancy are greater than assumed, the cost of benefits will increase because pensions are paid for longer than expected. This will mean the funding level will be higher than expected.
Inflation risk :	If inflation is greater than assumed, the cost of benefits will increase as pension increases and deferred revaluations are linked to inflation.

6 Assumptions used in accounting for gratuity, post retirement medical benefits, directors' retirement obligations and family benefit scheme:

		Gratuity and Compensated absences	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Discount rate	**As at March 31, 2021**	**6.50%**	**6.50%**	**6.50%**	**6.50%**
	As at March 31, 2020	6.05%	6.05%	6.05%	6.05%
Increase in Compensation cost	**As at March 31, 2021**	**7.50%**	**NA**	**7.50%**	**7.50%**
	As at March 31, 2020	7.50%	NA	7.50%	7.50%
Healthcare cost increase rate	**As at March 31, 2021**	**NA**	**10.00%**	**8.00%**	**NA**
	As at March 31, 2020	NA	10.00%	8.00%	NA
Pension increase rate	**As at March 31, 2021**	**NA**	**NA**	**6.00%**	**NA**
	As at March 31, 2020	NA	NA	6.00%	NA

(a) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(b) The estimates of future salary increases considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors.

7 **Sensitivity Analysis**

Impact on defined benefit obligation due to change in assumptions

₹ in crore

	As at March 31, 2021									
	Gratuity		Post retirement medical benefits		Directors' retirement obligations		Directors' post retirement medical benefits		Family benefit scheme	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate										
0.50% change	(2.90)	3.10	(6.19)	7.00	(2.63)	2.91	(0.45)	0.51	(0.35)	0.38
Compensation rate										
0.50% change	3.04	(2.87)	-	-	-	-	-	-	-	-
Pension rate										
1% change	-	-	-	-	4.38	(3.83)	-	-	-	-
Healthcare costs										
1% change	-	-	14.27	(11.43)	-	-	1.05	(0.86)	-	-
Life expectancy										
Change by 1 year	-	-	5.57	(5.43)	1.86	(1.86)	0.30	(0.30)	-	-

₹ in crore

	As at March 31, 2020									
	Gratuity		Post retirement medical benefits		Directors' retirement obligations		Directors' post retirement medical benefits		Family benefit scheme	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate										
0.50% change	(2.98)	3.19	(6.31)	7.17	(2.95)	3.28	(0.51)	0.57	(0.38)	0.40
Compensation rate										
0.50% change	3.12	(2.95)	-	-	-	-	-	-	-	-
Pension rate										
1% change	-	-	-	-	4.81	(4.18)	-	-	-	-
Healthcare costs										
1% change	-	-	14.57	(11.59)	-	-	1.17	(1.01)	-	-
Life expectancy										
Change by 1 year	-	-	5.53	(5.38)	1.98	(1.97)	0.32	(0.32)	-	-

The sensitivity analysis above has been determined based on reasonably possible changes of the respective key assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

8 Maturity profile of defined benefit obligation is as follows;

₹ in crore

Expected payments	As at March 31, 2021				As at March 31, 2020			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Within the next 12 months (next annual reporting period)	17.22	2.16	2.80	1.06	12.15	1.90	2.58	1.18
Later than 1 year and not later than 5 years	41.43	10.82	11.39	4.14	36.60	9.57	10.87	4.51
Later than 5 year and not later than 9 years	24.73	15.09	11.66	3.99	24.78	13.37	11.33	3.93
10 years and above	74.67	302.56	123.86	9.65	73.16	277.34	129.08	9.69
Total expected payments	**158.05**	**330.63**	**149.71**	**18.84**	**146.69**	**302.18**	**153.86**	**19.31**
Weighted average duration to the payment of cash flows (in Year)	6.53	16.35	13.98	6.73	7.27	17.16	13.92	6.71

9 The details of the Company's post-retirement and other benefit plans for its employees given above are certified by the actuary and relied upon by the Auditors.

10 Average longevity at retirement age for current beneficiaries of the plan (years)*

	As at March 31, 2021	As at March 31, 2020
Males	21.73	21.73
Females	24.38	24.38

*Based on India's standard mortality table with modification to reflect expected changes in mortality.

(d) Provident Fund

The Company operates Provident Fund Schemes and the contributions are made to recognised funds maintained by the Company. The Company is required to offer a defined benefit interest rate guarantee on provident fund balances of employees. The interest rate guarantee is payable to the employees for the year when the exempt fund declares a return on provident fund investments which is less than the rate declared by the Regional Provident Fund Commissioner (RPFC) on the provident fund corpus for their own subscribers. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions, shortfall between plan assets as the end of the year and the present value of funded obligation has been recognised in the Standalone Balance Sheet and Other Comprehensive Income.

The details of fund and plan assets position are given below:

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Plan assets at the end of the year	328.00	326.37
Less: Present value of funded obligation	330.35	340.08
Amount recognised in the Standalone Balance Sheet	**(2.35)**	**(13.71)**

Assumptions used in determining present value of obligation of interest rate guarantee under a deterministic approach:

	As at March 31, 2021	As at March 31, 2020
Guaranteed rate of return	8.50%	8.50%
Discount rate for remaining term to maturity of investments	6.45%	6.35%
Discount rate	6.50%	6.05%
Expected rate of return on investments	8.57%	7.86%

39 Segment information

39.1 Continuing operations

(a) Information about operating segment

The Company has 2 reportable segments which are the Company's strategic business units. These business units offer different products and are managed separately. Reportable Segments approved by Board of Directors are as under:

- Basic chemistry products : Soda Ash, Salt and other bulk chemicals
- Specialty products : Nutrition solutions, agri Solutions and advance materials

₹ in crore

		Year ended March 31, 2021	Year ended March 31, 2020
1.	**Segment revenue (Revenue from operations)**		
	(i) Basic chemistry products	2,845.05	2,836.91
	(ii) Speciality products	153.01	74.39
		2,998.06	**2,911.30**
	Unallocated	0.82	8.99
		2,998.88	**2,920.29**
2.	**Segment result (Reconciliation with profit from continuing operations)**		
	(i) Basic chemistry products	645.49	819.20
	(ii) Speciality products	(55.85)	(31.99)
	Total Segment results	**589.64**	**787.21**
	Net unallocated income	43.07	90.48
	Finance costs	(18.74)	(43.37)
	Profit before tax	**613.97**	**834.32**
	Tax expense	(134.86)	(162.50)
	Profit for the year from continuing operations	**479.11**	**671.82**

3. Segment assets and segment liabilities

₹ in crore

	Segment assets		Segment liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(i) Basic chemistry products	2,935.70	2,808.67	598.64	650.64
(ii) Speciality products	587.91	587.30	54.77	39.19
	3,523.61	**3,395.97**	**653.41**	**689.83**
Unallocated	11,141.67	9,999.78	754.70	728.60
	14,665.28	**13,395.75**	**1,408.11**	**1,418.43**

4. Other information

₹ in crore

	Addition to non-current assets *		Depreciation and amortisation		Other non-cash expenses**	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
(i) Basic chemistry products	360.29	512.82	151.69	130.27	25.62	(5.44)
(ii) Speciality products	3.60	103.89	35.32	8.27	0.49	0.82
	363.89	**616.71**	**187.01**	**138.54**	**26.11**	**(4.62)**
Unallocated	50.01	75.13	10.31	10.96	18.17	34.34
	413.90	**691.84**	**197.32**	**149.50**	**44.28**	**29.72**

*Comprises additions to Property, plant and equipment, Capital work-in-progress, Goodwill, Right-of-use assets, Other intangible assets and Intangible assets under development.

**Comprises of Provision for employee benefits expense, Provision for doubtful debts and advances/bad debts written off, Provision for contingencies, Foreign exchange gain/(loss) and (Profit)/ loss on assets sold or discarded.

(b) Information about geographical areas

The Company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below threshold limit, no separate geographical segment disclosure is considered necessary.

All non-current assets in the nature of property, plant and equipment (including capital work in progress) and intangible assets (including those under development) are domiciled in India.

(c) Revenue from major products

The following is an analysis of the Company's segment revenue from continuing operations from its major products

₹ in crore

		Year ended March 31, 2021*	Year ended March 31, 2020*
(i)	**Basic chemistry products**		
	- Soda Ash	1,332.08	1,485.34
	- Salt	990.07	816.19
	- Bicarb	224.46	248.73
	- Others	298.44	286.65
(ii)	**Speciality products**	153.01	74.39
(iii)	**Unallocated**	0.82	8.99
		2,998.88	**2,920.29**

*Including operating revenues.

(d) Major Customer

The Company has one customer whose revenue represents 33% (2020: 28%) of the Company’s total revenue and trade receivable represents 28% (2020: 27%) of the Company's total trade receivables.

(e) Other note

Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

39.2 Discontinued operations (note 34)

(a) Information about operating segment

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Result :		
Segment result (note 34)	-	6,128.08
Profit before tax	**-**	**6,128.08**
Tax expenses	-	40.32
Profit from discontinued operations after tax	**-**	**6,168.40**

(b) Information about geographical area

Discontinued operations sells its products within India where the conditions prevailing are uniform.

(c) Revenue from major products

Discontinued operations segment includes consumer product business.

(d) Major Customer

No single customer contributed 10% or more to the Company's revenue for the year ended March 31, 2021 and March 31, 2020.

39.3 Reconciliation of information on reportable segment to Standalone Balance Sheet and Standalone Statement of Profit and Loss

(a) Reconciliation of profit for the year as per Standalone Statement of Profit and Loss

₹ in crore

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year from continuing operations (note 39.1 (a) (2))	479.11	671.82
Profit for the year from discontinued operations (note 39.2 (a))	-	6,168.40
Profit for the year as per Standalone Statement of Profit and Loss	**479.11**	**6,840.22**

(b) Reconciliation of total assets as per Standalone Balance Sheet

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Total assets as per continuing operations (note 39.1 (a) (3))	14,665.28	13,395.75
Total assets as per discontinued operations	-	-
Total assets as per Standalone Balance Sheet	**14,665.28**	**13,395.75**

(c) Reconciliation of total liabilities as per Standalone Balance Sheet

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Total liabilities as per continuing operations (note 39.1 (a) (3))	1,408.11	1,418.43
Total liabilities as per discontinued operations	-	-
Total liabilities as per Standalone Balance Sheet	**1,408.11**	**1,418.43**

40 Derivative financial instruments

(a) The details of the various outstanding derivative financial instruments are given below:

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Current portion				
Derivatives not designated in a hedge relationship				
- Forward contracts	-	1.09	1.64	-
Total	**-**	**1.09**	**1.64**	**-**

Although these contracts are effective as hedges from an economic perspective, these are not designated for hedge accounting.

(b) The details of the gross notional amounts of derivative financial instruments outstanding are given in the table below:

Derivative instruments	Underlying (Receivables / payables)	As at March 31, 2021	As at March 31, 2020
Forward contracts	USD/INR	$ 1.7 million	W 1.8 million
Forward contracts	EUR/INR	€ 4.1 million	€ 6.3 million
Forward contracts	JYP/INR	¥ 232.5 million	¥ 232.5 million

41 Disclosures on financial instruments

(a) Financial instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31 2021.

₹ in crore

		Investments - FVTOCI	Investments - FVTPL	Derivatives - FVTPL	Amortised cost	Total carrying value
Financial assets						
(a)	**Investments - non-current**					
	Equity instrument at fair value	3,147.27	-	-	-	3,147.27
	Debt instrument at fair value	-	150.00	-	-	150.00
(b)	**Investments - current**					
	Investment in mutual funds	-	1,281.81	-	-	1,281.81
(c)	Trade receivables	-	-	-	144.92	144.92
(d)	Cash and cash equivalents	-	-	-	61.41	61.41
(e)	Other bank balances	-	-	-	623.91	623.91
(f)	Loans - non-current	-	-	-	0.62	0.62
(g)	Loans - current	-	-	-	0.17	0.17
(h)	Other financial assets - non-current	-	-	-	0.26	0.26
(i)	Other financial assets - current	-	-	-	118.72	118.72
Total		**3,147.27**	**1,431.81**	**-**	**950.01**	**5,529.09**
Financial liabilities						
(a)	Lease liabilities - non-current			-	4.85	4.85
(b)	Trade payables			-	481.65	481.65
(c)	Other financial liabilities - non-current			-	0.11	0.11
(d)	Other financial liabilities - current			1.09	168.78	169.87
Total				**1.09**	**655.39**	**656.48**

The following table presents the carrying amounts of each category of financial assets and liabilities as at March 31 2020.

₹ in crore

		Investments - FVTOCI	Investments - FVTPL	Derivatives - FVTPL	Amortised cost	Total carrying value
Financial assets						
(a)	**Investments - non-current**					
	Equity instrument at fair value	1,904.23	-	-	-	1,904.23
(b)	**Investments - current**					
	Investment in mutual funds	-	1,301.33	-	-	1,301.33
(c)	Trade receivables	-	-	-	139.84	139.84
(d)	Cash and cash equivalents	-	-	-	83.72	83.72
(e)	Other bank balances	-	-	-	795.86	795.86
(f)	Loans - non-current	-	-	-	0.92	0.92
(g)	Loans - current	-	-	-	0.23	0.23
(h)	Other financial assets - non-current	-	-	-	0.26	0.26
(i)	Other financial assets - current	-	-	1.64	135.67	137.31
Total		**1,904.23**	**1,301.33**	**1.64**	**1,156.50**	**4,363.70**
Financial liabilities						
(a)	Lease liabilities - non-current			-	10.41	10.41
(B)	Trade payables			-	574.99	574.99
(c)	Other financial liabilities - non-current			-	0.17	0.17
(d)	Other financial liabilities - current			-	187.04	187.04
Total				**-**	**772.61**	**772.61**

(b) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following tables provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required.

₹ in crore

	As at March 31, 2021			
	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative financial Liabilities				
Foreign exchange forward contracts	1.09	-	1.09	-
FVTOCI financial investments				
Quoted equity instruments	2,634.31	2,634.31	-	-
Unquoted equity instruments	512.96	-	-	512.96
FVTPL financial investments				
Investment in mutual funds	1,281.81	-	1,281.81	-
Quoted debt instruments	150.00	150.00	-	

There have been no transfers between levels during the period.

₹ in crore

	As at March 31, 2020			
	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative financial assets				
Foreign exchange forward contracts	1.64	-	1.64	-
FVTOCI financial investments				
Quoted equity instruments	1,497.23	1,497.23	-	-
Unquoted equity instruments	407.00	-	-	407.00
FVTPL financial investments				
Investment in mutual funds	1,301.33	-	1,301.33	-

There have been no transfers between levels during the period.

(c) The following tables shows a reconciliation from the opening balance to the closing balance for level 3 fair values.

₹ in crore

	FVTOCI financial investments
Balance as at April 1, 2019	**482.71**
Add / (less): fair value changes through Other comprehensive income	(75.71)
Balance as at March 31, 2020	**407.00**
Addition / (deletion) during the year	39.60
Add / (less): fair value changes through Other comprehensive income	66.36
Balance as at March 31, 2021	**512.96**

(d) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

(i) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value (FVTOCI) and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range.

The Company considers Comparable Companies Method (CCM) method and the illiquidity discount based on its assessment of the judgement that market participants would apply for measurement of fair value of unquoted investments. In the CCM method, the Company would find comparable listed entities in the market and use the same PE multiple (ranging from 8.8 to 19.4) for determining the fair value of the investment.

(iii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(iv) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instruments is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

(v) The fair value of non-current borrowings carrying floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).

(e) Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Risk Management Group ('TRMG') manages these risks. TRMG advises on financial risks and the appropriate financial risk governance framework for the Company and provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company's policy is not to trade in derivatives for speculative purposes.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set a policy wherein exposure is identified, a benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The policy also includes mandatory initial hedging requirements for exposure above a threshold.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and foreign currency borrowings, primarily with respect to USD.

As at the end of the reporting period , the carrying amounts of the Company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD and derivative to hedge the exposure, are as follows:

₹ in crore

	As at March 31, 2021	As at March 31, 2020
USD exposure		
Assets	67.38	87.86
Liabilities	(26.99)	(44.06)
Net	**40.39**	**43.80**
Derivatives to hedge USD exposure		
Forward contracts - (USD/ INR)	12.17	13.31
	12.17	**13.31**
Net exposure	**52.56**	**57.11**

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities and derivatives is as follows:

₹ in crore

	As at March 31, 2021	As at March 31, 2020
If INR had (strengthened) / weakened against USD by 5% (Decrease) / increase in profit for the year	2.63	2.86

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's non-current debt obligations with floating interest rates.

The Company's policy is generally to undertake non-current borrowings using facilities that carry floating-interest rate. The Company manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

Interest rate sensitivity

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Equity price risk management

The Company's exposure to equity price risk arises from investment held by the Company and classified as FVTOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Equity price sensitivity analysis

If prices of quoted equity securities had been 5% higher / (lower), the OCI for the year ended March 31, 2021 and 2020 would increase / (decrease) by ₹ 131.71 crore and ₹ 74.86 crore respectively.

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade and other receivables and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, foreign exchange transactions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, being the total of the carrying amount of balances with banks, short term deposits with banks, short term investment, trade and other receivables and other financial assets excluding equity investments.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse actions such as security realisations, etc.
- the financial asset is 120 days past due.

The financial guarantee disclosed under note 45.1 (b) represents the maximum exposure to credit risk under such contracts.

Trade and other receivables

Trade and other receivables of the Company are typically unsecured and derived from sales made to a large number of independent customers. Customer credit risk is managed by each business unit subject to established policies, procedures and control relating to customer credit risk management. Before accepting new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The credit period provided by the Company to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically. Provision is made based on expected credit loss method or specific identification method.

The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Company revenue and trade receivables, except as disclosed in note 39.1.

For certain other receivables, where recoveries are expected beyond twelve months of the Balance Sheet date, the time value of money is appropriately considered in determining the carrying amount of such receivables.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Financial guarantees

Financial guarantees disclosed in note 45.1(b) have been provided as corporate guarantees to financial institutions and banks that have extended credit facilities to the Company's subsidiaries. In this regard, the Company does not foresee any significant credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The below table analyses the Company's non-derivative financial liabilities as at the reporting date, into relevant maturity groupings based on the remaining period (as at that date) to the contractual maturity date. The amounts disclosed in the below table are the contractual undiscounted cash flows.

₹ in crore

	Carrying amount	Up-to 1 year	1-5 years	Above 5 years	Total
As at March 31, 2021					
Lease liability	8.95	4.92	5.02	-	9.94
Trade and other payables	646.44	646.33	0.11	-	646.44
Total	**655.39**	**651.25**	**5.13**	**-**	**656.38**
As at March 31, 2020					
Lease liability	14.76	5.49	11.24	0.56	17.29
Trade and other payables	757.85	757.68	0.17	-	757.85
Total	**772.61**	**763.17**	**11.41**	**0.56**	**775.14**

42 Capital management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

43 Related Party Disclosure:

(a) Related parties and their relationship (as defined under IndAS-24 Related Party Disclosures)

Subsidiaries	
Direct	
1	Rallis India Limited, India
2	Tata Chemicals International Pte. Limited ('TCIPL')
3	Ncourage Social Enterprise Foundation
Indirect	
1	PT Metahelix Lifesciences Indonesia (PTLI), Indonesia
2	Valley Holdings Inc., United States of America
3	Tata Chemicals North America Inc., United States of America
4	General Chemical International Inc., United States of America
5	NHO Canada Holdings Inc., United States of America
6	Tata Chemicals (Soda Ash) Partners (TCSAP), United States of America **
7	Tata Chemicals (Soda Ash) Partners Holdings(TCSAPH), United States of America **
8	TCSAP LLC,United States of America
9	Homefield Pvt UK Limited, United Kingdom
10	TCE Group Limited
11	Tata Chemicals Africa Holdings Limited, United Kingdom
12	Natrium Holdings Limited
13	Tata Chemicals Europe Limited, United Kingdom
14	Winnington CHP Limited,United Kingdom
15	Brunner Mond Group Limited, United Kingdom
16	Tata Chemicals Magadi Limited, United Kingdom
17	Northwich Resource Management Limited, United Kingdom
18	Gusiute Holdings (UK) Limited, United Kingdom
19	TCNA (UK) Limited, United Kingdom
20	British Salt Limited, United Kingdom
21	Cheshire Salt Holdings Limited, United Kingdom
22	Cheshire Salt Limited, United Kingdom
23	Brinefield Storage Limited, United Kingdom
24	Cheshire Cavity Storage 2 Limited, United Kingdom
25	Cheshire Compressor Limited, United Kingdom
26	Irish Feeds Limited,United Kingdom
27	New Cheshire Salt Works Limited, United Kingdom
28	Tata Chemicals (South Africa) Proprietary Limited, South Africa
29	Magadi Railway Company Limited, Kenya
30	Alcad, United States of America **
Joint Ventures	
Direct	
1	Indo Maroc Phosphore S.A., Morocco
2	Tata Industries Limited
Indirect	
1	The Block Salt Company Limited, United Kingdom (Holding by British Salt Limited)
2	JOil (S) Pte. Ltd and its subsidiaries (Holding by Tata Chemicals International Pte. Limited)

Other related parties	
1	Tata Chemicals Ltd Provident Fund
2	Tata Chemicals Ltd. Employee Pension Fund
3	Tata Chemicals Superannuation Fund
4	Tata Chemicals Employees Gratuity Trust
5	TCL Employees Gratuity Fund
6	Rallis India Limited Management Staff Gratuity Fund
Key Management Personnel	
1	Mr. R. Mukundan, Managing Director and CEO
2	Mr. Zarir Langrana, Executive Director
Promoter	
1	Tata Sons Private Limited, India
List of subsidiaries and joint ventures of Tata Sons Private Limited @@	
1	TATA AIG General Insurance Company Limited
2	Tata Autocomp Systems Limited
3	Tata International Limited
4	Tata Consultancy Services Limited
5	TATA AIA Life Insurance Company Limited
6	Tata Consulting Engineers Limited
7	Infiniti Retail Limited
8	Tata Medical and Diagnostics Limited
9	Tata Teleservices Limited
10	Ecofirst Services Limited
11	Tata Realty and Infrastructure Limited
12	Tata Investment Corporation Limited
13	Ewart Investments Limited
14	Simto Investment Company Limited
15	Tata Autocomp Hendrickson Suspensions Private Limited
16	Tata SmartFoodz Limited
17	Tata SIA Airlines Limited
18	Tata Communications Limited
19	Tata Communications Collaboration Services Private Limited
20	Tata Teleservices (Maharashtra) Limited
21	Tata Digital Ltd.
22	Tata International Singapore PTE Ltd
23	Tata Elxsi Limited
24	Carbon Disclosure Project India
25	AirAsia India Limited

@@The above list includes the Companies with whom the Company has entered into the transactions during the course of the year.

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

(b) Transactions with Related parties (as defined under Ind AS 24) during the year ended March 31, 2021 and balances outstanding as at March 31, 2021

	Subsidiaries of Tata Chemicals Limited										Joint Venture of Tata Chemicals Limited		Promoter	Tata Sons Private Ltd. Its Subsidiaries and Joint Ventures				
	Rallis India Limited, India	Ncourage Social Enterprise Foundation	Gusiute Holdings (UK) Limited	Tata Chemicals North America Inc, United States of America	Tata Chemicals Magadi Limited, U.K	Tata Chemicals International Pte. Limited, Singapore	Homefield UK Private Limited, U.K.	Tata Chemicals Europe Limited	Natrium Holdings Limited	British Salt Limited, U.K	Indo Maroc Phosphore S.A. Morocco	Tata Industries Limited	Tata Sons Private Ltd.	Tata Consultancy Services Limited	Other Entities	Other related parties	Key Management Personnel (KMP)	Total
Transactions with related parties																		
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.60	-	-	39.60
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of goods (includes stock in transit) - (net of returns)	0.02	0.16	-	-	14.14	285.29	-	-	-	0.18	-	-	-	-	-	-	-	299.79
	-	-	-	78.04	-	480.52	-	-	-	0.10	-	-	-	-	-	-	-	558.66
Sales (Net)	12.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.54
	11.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.11
Other services - expenses & Reimbursement of Expenses	(2.17)	(0.01)	-	(2.25)	(1.56)	(0.06)	-	(3.24)	-	-	-	4.70	9.17	10.28	5.32	-	-	20.18
	(1.00)	(1.14)	-	(1.91)	(1.44)	(0.05)	-	(2.44)	-	-	-	0.71	7.82	10.98	5.21	-	-	16.74
Other services - Income	0.43	0.51	-	-	2.01	-	1.31	0.36	2.32	-	-	-	-	-	11.34	-	-	18.28
	0.08	0.02	-	-	0.26	-	1.61	0.12	-	-	-	0.16	0.10	-	0.16	-	-	2.51
Dividend received	24.34	-	1.99	-	-	-	-	-	-	-	26.49	-	10.24	-	0.79	-	-	63.85
	24.34	-	1.59	-	-	-	-	-	-	-	72.24	-	10.24	-	1.48	-	-	109.89
Miscellaneous purchases/ Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.96	-	-	7.96
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.22	-	-	5.22
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	0.09	79.89	-	16.72	-	-	96.70
	-	-	-	-	-	-	-	-	-	-	-	0.10	74.73	-	21.36	-	-	96.19
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	0.10
Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.13	-	-	13.13
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.00	-	-	4.00
Deposit Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.83	-	-	0.83
	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04
Contributions to employee benefit trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.95	-	24.95
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37.91	-	37.91
Other employees' related expenses	0.11	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	-	-	0.14
	0.61	-	-	-	-	-	-	-	-	-	-	-	-	-	0.08	-	-	0.69
Compensation to key Managerial Person																		
Short-term employee benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.59	9.59
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.92	9.92
Post-employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.31)	(1.31)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.38	7.38
Balances due from /to related parties																		
Amount receivables/advances/balances/Loans																		
As at March 31, 2021	0.17	-	-	-	-	59.97	676.40	-	-	-	-	-	-	-	0.67	0.42	-	737.63
As at March 31, 2020	0.27	-	2.27	0.32	-	62.07	700.03	-	-	-	-	0.03	-	-	0.42	1.04	-	766.45
Impairment of loans																		
As at March 31, 2021	-	-	-	-	-	-	(676.40)	-	-	-	-	-	-	-	-	-	-	(676.40)
As at March 31, 2020	-	-	-	-	-	-	(700.03)	-	-	-	-	-	-	-	-	-	-	(700.03)
Refundable Deposit																		
As at March 31, 2021	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	0.83	-	-	0.95
As at March 31, 2020	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04
Amount payables (in respect of goods purchased and other services)																		
As at March 31, 2021	-	-	-	-	-	185.74	-	-	-	0.04	-	0.77	0.03	2.45	1.63	2.20	-	192.86
As at March 31, 2020	0.01	-	-	-	-	236.29	-	-	-	0.05	-	0.28	7.30	1.18	2.36	2.23	-	249.70
Amount receivable on account of any management contracts																		
As at March 31, 2021	0.58	-	-	0.82	1.00	0.02	0.17	1.15	0.66	-	-	0.02	0.16	-	4.98	-	-	9.56
As at March 31, 2020	0.67	0.76	-	0.63	0.69	0.02	0.85	0.97	-	-	-	0.06	0.18	-	0.09	-	-	4.92

Footnotes:

1. For Investment in related parties refer note 8.
2. For Guarantee to third parties on behalf of subsidiaries in related parties as at March 31 2021 refer 45.1(b).
3. The above figures do not include provision for Compensated absences and contribution to gratuity fund, as separate figures are not available for the Managing Director and Whole-time Director.
4. Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.
5. *value below ₹ 50,000

The figures in light print are for previous year

44 Commitments

₹ in crore

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	383.96	289.57
Commitment towards partly paid investment	-	9.19

45. Contingent liabilities and assets

45.1 Contingent liabilities

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

₹ in crore

		As at March 31, 2021	As at March 31, 2020
(i)	Excise, Customs and Service Tax @	104.32	86.41
(ii)	Sales Tax @	37.92	43.89
(iii)	Labour and other claims against the Company not acknowledged as debt	26.11	24.60
(iv)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal) **	529.81	551.39
(v)	Income Tax (decided in Company's favor by Appellate authorities and Department is in further appeal)	15.54	15.54
(vi)	Contractual obligation upto	34.75	34.75

Item (vi)) above includes ₹ 34.75 crore (2020: ₹ 34.75 crore) relating to discontinued operations.

(b) Guarantees provided by the Company to third parties on behalf of subsidiaries aggregates USD 91.8 million & GBP 105.6 million (₹ 1,735.10 crore) (2020: USD 111.60 million & GBP 2.76 million (₹ 870.19 crore)).

**The Company has on-going disputes with income tax authorities mainly pertaining to disallowance of expenses and the computation of, or eligibility of the Company's availment of certain tax incentives or allowances. Most of these disputes and/or disallowances are repetitive in nature spanning across multiple years. All the Tax demands are being contested by the company.

@Excise Duty cases include disputes pertaining to reversal of input tax credit on common input, refund of duty paid under protest. Custom Duty cases include disputes pertaining to import of capital equipment against scripts, tariff classification issues, denial of FTA benefit. VAT/CST/Entry Tax cases include disputes pertaining to Way Bill, reversal/disallowance of input tax credit, pending declaration forms. All the Tax demands are being contested by the company.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments / decisions pending with various forums/authorities.

The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the Standalone Financial Statements.

45.2 Contingent assets

₹ in crore

		As at March 31, 2021	As at March 31, 2020
(i)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	78.94	78.40

46. Approval of Standalone Financial Statements

The Standalone Financial Statements were approved for issue by the Board of Directors on May 3, 2021.

Signatures to notes forming part of the Standalone Financial Statements 1 - 46

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Mumbai, May 3, 2021

For and on behalf of the Board

N. Chandrasekaran — Chairman
(DIN: 00121863)
Padmini Khare Kaicker — Director
(DIN: 00296388)
R. Mukundan — Managing Director and CEO
(DIN: 00778253)
Nandakumar S. Tirumalai — Chief Financial Officer
(ICAI M. No.: 203896)
Rajiv Chandan — General Counsel & Company Secretary
(ICSI M. No.: FCS 4312)