

Tata Chemicals Limited

Regd. Office: Bombay House, 24 Homi Mody Street, Mumbai - 400 001

Statement of Standalone Audited Financial Results for the quarter and half year ended 30 September, 2020

(₹ in crore)

Particulars	Quarter ended 30 September, 2020	Quarter ended 30 June, 2020	Quarter ended 30 September, 2019 (Restated) (note 2 (a) and 2 (b))	Half-year ended 30 September, 2020	Half-year ended 30 September, 2019 (Restated) (note 2 (a) and 2 (b))	Year ended 31 March, 2020
1 Income						
a) Revenue from operations	717.46	627.98	708.34	1345.44	1426.87	2920.29
b) Other income	102.73	38.53	68.15	141.26	226.74	309.15
Total Income (1a+1b)	820.19	666.51	776.49	1486.70	1653.61	3229.44
2 Expenses						
a) Cost of materials consumed	153.89	84.09	149.40	237.98	268.62	541.90
b) Purchases of stock-in-trade	34.41	33.19	14.14	67.60	25.53	94.41
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2.70)	19.48	(36.41)	16.78	(47.79)	(76.41)
d) Employee benefits expense (note 5 (a))	71.14	58.70	55.32	129.84	107.68	250.28
e) Power and fuel	128.02	98.00	132.57	226.02	275.68	555.18
f) Freight and forwarding charges	100.63	92.45	90.38	193.08	194.03	390.06
g) Finance costs	4.48	4.37	14.57	8.85	34.42	43.37
h) Depreciation and amortisation expense	48.78	47.56	35.30	96.34	71.50	149.50
i) Other expenses	115.72	86.37	108.97	202.09	219.90	446.83
Total expenses (2a to 2i)	654.37	524.21	564.24	1178.58	1149.57	2395.12
3 Profit before tax (1-2)	165.82	142.30	212.25	308.12	504.04	834.32
4 Tax expenses (note 4)						
a) Current tax	35.39	31.80	38.12	67.19	119.44	194.37
b) Deferred tax	(4.67)	1.73	(37.23)	(2.94)	(32.32)	(31.87)
Total tax expenses (4a + 4b)	30.72	33.53	0.89	64.25	87.12	162.50
5 Profit from continuing operations after tax (3-4)	135.10	108.77	211.36	243.87	416.92	671.82
6 Exceptional (loss)/gain (net) from discontinued operations (note 2 (b) and 3)	-	-	-	-	(8.00)	6,128.08
7 Tax expense/(release) of discontinued operations (note 2 (b))	-	-	12.01	-	39.52	(40.32)
8 (Loss)/profit from discontinued operations after tax (6-7)	-	-	(12.01)	-	(47.52)	6168.40
9 Profit for the period (5+8)	135.10	108.77	199.35	243.87	369.40	6840.22
10 Other comprehensive income ('OCI') - gain/(loss)						
(i) Items that will not be reclassified to the Statement of Profit and Loss						
- Changes in fair value of equity investments carried at fair value through OCI	384.24	54.76	(136.96)	439.00	125.91	(557.31)
- Remeasurement of defined employee benefit plans	26.74	(11.03)	(29.87)	15.71	(28.78)	(50.55)
(ii) Income Tax relating to above items - charge/(reversal)	46.51	(0.10)	(17.61)	46.41	14.31	(65.42)
Total other comprehensive income - gain/(loss) (net of tax) (i-ii)	364.47	43.83	(149.22)	408.30	82.82	(542.44)
11 Total comprehensive income for the period (9+10)	499.57	152.60	50.13	652.17	452.22	6297.78
12 Paid-up equity share capital (Face value : ₹ 10 per share)	254.82	254.82	254.82	254.82	254.82	254.82
13 Other equity						11722.50
14 Earnings per share for continuing operations (in ₹)						
- Basic and Diluted	5.30*	4.27*	8.30*	9.57*	16.37*	26.37
15 Earnings per share for discontinued operations (in ₹)						
- Basic and Diluted	-	-	(0.47)*	-	(1.86)*	242.13
16 Earnings per share for continuing and discontinued operations (in ₹)						
- Basic and Diluted	5.30*	4.27*	7.83*	9.57*	14.51*	268.50
* Not annualised						
See annexed segment information and accompanying notes to the standalone financial results						

Tata Chemicals Limited
Standalone Audited Segmentwise Revenue, Results, Assets and Liabilities

(₹ in crore)

Particulars	Quarter ended 30 September, 2020	Quarter ended 30 June, 2020	Quarter ended 30 September, 2019 (Restated) (note 2 (a) and 2 (b))	Half-year ended 30 September, 2020	Half-year ended 30 September, 2019 (Restated) (note 2 (a) and 2 (b))	Year ended 31 March, 2020
1 Segment Revenue						
a. Basic chemistry products	676.50	612.09	696.49	1288.59	1404.29	2836.91
b. Specialty products	40.89	15.89	11.85	56.78	22.58	74.39
	717.39	627.98	708.34	1345.37	1426.87	2911.30
Add: Unallocated	0.07	-	-	0.07	-	8.99
Total revenue from operations	717.46	627.98	708.34	1345.44	1426.87	2920.29
2 Segment Results						
a. Basic chemistry products	121.42	159.28	206.45	280.70	410.94	819.20
b. Specialty products	(8.85)	(15.11)	(6.28)	(23.96)	(10.97)	(31.99)
Total segment results	112.57	144.17	200.17	256.74	399.97	787.21
Less :						
(i) Finance costs	4.48	4.37	14.57	8.85	34.42	43.37
(ii) Net unallocated expenditure/(income)	(57.73)	(2.50)	(26.65)	(60.23)	(138.49)	(90.48)
Total profit before tax	165.82	142.30	212.25	308.12	504.04	834.32
3 Segment Assets						
a. Basic chemistry products	2729.58	2756.92	2426.50	2729.58	2426.50	2808.67
b. Specialty products	570.02	586.87	495.98	570.02	495.98	587.30
Total segment assets	3299.60	3343.79	2922.48	3299.60	2922.48	3395.97
Add: Unallocated	10214.15	10003.32	11340.53	10214.15	11340.53	9999.78
Total assets	13513.75	13347.11	14263.01	13513.75	14263.01	13395.75
4 Segment Liabilities						
a. Basic chemistry products	455.37	509.47	553.87	455.37	553.87	650.64
b. Specialty products	38.57	34.58	29.72	38.57	29.72	39.19
Total segment liabilities	493.94	544.05	583.59	493.94	583.59	689.83
Add: Unallocated	670.55	673.14	1241.69	670.55	1241.69	728.60
Total liabilities	1164.49	1217.19	1825.28	1164.49	1825.28	1418.43

Information relating to discontinued operations as stated in note 2(b) to the standalone financial results:

Particulars	Quarter ended 30 September, 2020	Quarter ended 30 June, 2020	Quarter ended 30 September, 2019 (Restated) (note 2 (b))	Half-year ended 30 September, 2020	Half-year ended 30 September, 2019 (Restated) (note 2 (b))	Year ended 31 March, 2020
1 Segment Results (before tax)	-	-	-	-	(8.00)	6,128.08

Tata Chemicals Limited
Standalone Audited Balance Sheet as at 30 September, 2020

(₹ in crore)

	As at 30 September, 2020	As at 31 March, 2020
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	2150.23	2156.39
(b) Capital work-in-progress	417.62	402.13
(c) Investment property	40.46	21.11
(d) Right of use assets	21.02	23.04
(e) Goodwill	45.53	45.53
(f) Intangible assets	9.18	7.22
(g) Intangible assets under development	0.19	0.27
(h) Financial assets		
(i) Investments in subsidiaries and joint venture	4758.06	4758.06
(ii) Other investments	2493.21	1904.23
(iii) Loans	0.75	0.92
(iv) Other financial assets	0.26	0.26
(i) Advance tax assets (net)	566.21	588.94
(j) Other non-current assets	233.62	184.23
Total non-current assets	10736.34	10092.33
(2) Current assets		
(a) Inventories	538.35	701.17
(b) Financial assets		
(i) Investments	1186.62	1,301.33
(ii) Trade receivables	137.81	139.84
(iii) Cash and cash equivalents	30.10	83.72
(iv) Bank balances other than (iii) above	621.11	795.86
(v) Loans	0.21	0.23
(vi) Other financial assets	128.34	137.31
(c) Other current assets	134.87	143.96
Total current assets	2777.41	3303.42
Total assets	13513.75	13395.75
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	254.82	254.82
(b) Other equity	12094.44	11722.50
Total equity	12349.26	11977.32
(2) Liabilities		
1 Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	9.55	10.41
(ii) Other financial liabilities	0.14	0.17
(b) Provisions	162.57	163.37
(c) Deferred tax liabilities (net)	103.02	59.55
(d) Other non-current liabilities	10.50	10.50
Total non-current liabilities	285.78	244.00
2 Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Outstanding dues of micro enterprises and small enterprises	2.32	3.83
- Outstanding dues of creditors other than above	343.30	571.16
(ii) Other financial liabilities	128.03	187.04
(b) Other current liabilities	69.29	46.74
(c) Provisions	201.31	199.64
(d) Current tax liabilities (net)	134.46	166.02
Total current liabilities	878.71	1174.43
Total liabilities	1164.49	1418.43
Total equity and liabilities	13513.75	13395.75

Tata Chemicals Limited
Statement of Cash Flows for the half year ended 30 September, 2020

Particulars	₹ in crore	
	Half year ended 30 September, 2020	Half year ended 30 September, 2019 (Restated) (note 2 (a) and 2 (b))
A Cash flows from operating activities		
Profit before tax from continuing operations	308.12	504.04
Loss before tax from discontinued operations	-	(8.00)
	308.12	496.04
Adjustments for :		
Depreciation and amortisation expense	96.34	71.50
Finance costs	8.85	34.42
Interest income	(27.75)	(23.67)
Dividend income	(72.91)	(123.20)
Net gain on sale of current investments	(25.09)	(76.03)
Provision for employee benefits expense	20.63	12.18
Provision for doubtful debts and advances/bad debts written off	0.21	0.42
Provision for contingencies (net)	3.44	4.50
Liabilities no longer required written back	(2.55)	-
Foreign exchange loss (net)	1.67	0.51
Loss on assets sold or discarded (net)	0.90	0.23
	311.86	396.90
Adjustments for :		
Trade receivables, other financial assets and other assets	41.78	75.79
Inventories	162.82	(55.79)
Trade payables, other financial liabilities and other liabilities	(236.06)	83.79
	280.40	500.69
Cash generated from operations	280.40	500.69
Taxes paid (net of refund)	(76.02)	(158.34)
	204.38	342.35
B Cash flows from investing activities		
Acquisition of property, plant and equipment (including capital work-in-progress)	(229.34)	(365.07)
Acquisition of intangible assets (including intangible asset under development)	(3.25)	(0.72)
Proceeds from sale of property, plant and equipment	-	0.34
Proceeds from sale of current investments	2,526.01	4,468.90
Purchase of non-current investments	(150.11)	-
Purchase of current investments	(2,386.00)	(4,335.01)
Bank balances not considered as cash and cash equivalent	174.99	(562.42)
Interest received	20.29	13.99
Dividend received		
- From subsidiaries	26.33	25.91
- From joint venture	26.49	72.24
- From others	20.09	25.05
	25.50	(656.79)
C Cash flows from financing activities		
Repayment of borrowings	-	(250.99)
Repayment towards lease liabilities	(0.82)	(1.69)
Finance costs paid	(4.46)	(50.02)
Bank balances in dividend and restricted account	(0.24)	(1.60)
Dividends paid including distribution tax	(277.98)	(377.31)
	(283.50)	(681.61)
Net decrease in cash and cash equivalents	(53.62)	(996.05)
Cash and cash equivalents as at the beginning of the period	83.72	1,049.75
Exchange difference on translation of foreign currency cash and cash equivalents	-	(0.14)
	30.10	53.56

Notes to the standalone financial results :

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 October, 2020. The same have been audited by the Statutory Auditors who have issued an unqualified opinion thereon.
- 2 a The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench on 23 April, 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 1 April 2019. Accordingly, the standalone financial results for the quarter and half-year ended 30 September, 2019 have been restated.
- b In the previous year, upon filing of the certified copies of the NCLT Orders sanctioning the Scheme with the respective jurisdictional Registrar of Companies on 7 February, 2020, the Consumer Products Business Unit ("CPB") is demerged from the Company and transferred to and vested in Tata Consumer Products Limited ("TCPL") with effect from 1 April, 2019 i.e. the Appointed Date. Accordingly, the standalone financial results for the quarter and half-year ended 30 September, 2019 have been restated.

The difference in the fair value of the demerged undertaking and the carrying amount of net assets of CPB as at 1 April, 2019 is recognised as gain on demerger of CPB in the standalone financial results as an exceptional item, amounting to ₹ 6,220.15 crore (net of transaction cost) during the year ended 31 March, 2020. Exceptional item for the period ended 30 September, 2019 represents costs relating to the scheme of De-merger.

The Company had recorded tax provision of ₹ 12.01 crore, ₹ 39.52 crore and ₹ 60.32 crore on the profits of CPB for the quarter and half year ended 30 September, 2019 and nine months ended 31 December, 2019 respectively. This tax provision has been reversed in the quarter ended 31 March, 2020 as it has not been transferred to TCPL post de-merger of CPB.

- 3 Exceptional items from discontinued operations for the quarter and year ended 31 March, 2020 includes ₹ 92.07 crore in respect of 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.
- 4 During the quarter ended 30 September, 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. 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 crores.
- 5 a An annual wage settlement pertaining to workmen has resulted in recording of one time charge relating to gratuity benefits of ₹ 14.37 crore in the quarter and half year ended 30 September, 2020.
- b The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6 a During the first half of July 2020, due to unprecedented heavy rains there was flooding which impacted inventories and related plant & equipment at Mithapur. Based on a preliminary assessment, the Company has recorded a charge of ₹ 11.31 crore towards the damage and consequential losses, which is subject to insurance claim.
- b Throughout the period, the Company continued to produce salt without disruption while 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 results. 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 we continue to monitor changes in future economic conditions. The impact of COVID-19 on the standalone financial results may differ from that estimated as at the date of approval of these standalone financial results.

- 7 Previous period figures have been regrouped to conform with the classification adopted in these standalone financial results.

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

For and on behalf of
TATA CHEMICALS LIMITED

Vijay Mathur
Partner
Membership No. 046476
Place: Mumbai
Date: 29 October, 2020

R. Mukundan
Managing Director and CEO