

# Overview of Capitals

**Our businesses create value by deploying different Capitals and transforming them by a series of activities, producing the outputs which further culminate into various outcomes. We are providing a combination of quantitative and qualitative information of the six capitals that we deploy in our operations.**

We create value for all our stakeholders by adopting an integrated management approach for the six capitals and monitor our performance holistically:

## Financial Capital

The pool of funds that is available to our organisation is our Financial Capital. This includes both debt and equity finance. Strengthening our balance sheet, we rely on varied source of funds. We put in use these funds for acquisition of manufactured or other forms of capital.

## Manufactured Capital

Our manufacturing operations include our plants, our warehouses, our logistics facilities and all the physical assets that we use for the production of our chemicals, materials and goods. These form part of the Manufactured Capital.

## Intellectual Capital

In line with our Mission, our scientific knowledge and research skills form the backbone of our business. Our Research & Development capabilities and Innovation Quotient are the intangibles which form our Intellectual Capital.

## Human Capital

The knowledge, skills and experience of our strong workforce, put together enable Value creation and collectively form the Human Capital.

We invest in our employees' welfare and skills development to ensure sustaining outcomes. Going by our principle of being an equal opportunities employer, we

encourage diversity in our workforce. Our primary focus is on maintaining a safe and healthy work environment for all our employees and contract workers.

## Social and Relationship Capital

Carrying forward the ethos of Tata Group, Tata Chemicals always aims to become the 'neighbour of choice' for our communities. Not only complying with the regulations, we strive to go beyond and engage closely with our communities and invest in their development.

We also believe that sustainability of our business is dependent on long-term relationships with our supply partners and dealers. We work closely with our suppliers for sharing knowledge and capacity building.

Our product innovation keeps customer needs and requirements at the forefront. Gauging our customers' satisfaction is imperative for our businesses.

## Natural Capital

All renewable and non-renewable natural resources, on which we are dependent comprise the Natural Capital. There is a whole host of raw materials which we extract from mines – e.g. coal, limestone, among other minerals. Apart from this we also depend on the natural stock of resources like water and land.

## Financial Capital

	UoM	FY15*	FY16	FY17
Capex	₹ crore	606	689	645
Capital Expenditure represents funds we use to acquire or upgrade physical assets for our operations.				
ROIC #	%	8	9	9
This represents the efficiency with which we are deploying our capital and indicates how are we creating long-term shareholder value				
Dividends per Share	₹	12.5**	10	11
This represents the total dividends paid out by a Company divided by the number of outstanding ordinary shares issued.				

\*2014-15 numbers are as per I GAAP and 2015-16 and 2016-17 are as per Ind AS

\*\* Includes platinum jubilee year special dividend of ₹ 2.50 per share

# ROIC - Return On Invested Capital

## Intellectual Capital

	UoM	FY15	FY16	FY17
Innovative ideas from employees	No.	1,591	1,731	2,746
Sales from New products as % of revenue*	%	1.5	0.8	1.6

\*New Products include offerings from Chemicals, Consumer Products and Nutritional Solutions Business

## Natural Capital

	UoM	FY15	FY16	FY17
Fresh Water Consumption*	Kl/MT	1.1	1.1	1.1
Utilisation of Renewable Energy*	GWh	59,777	82,109	81,710
Responsible Care*	%	88	88	88

\*Tata Chemicals Limited

## Manufactured Capital

Facilities, location and key equipments			
Business	Location	Product / Plant / Services	Key Equipments used
Living Essentials	Mithapur, India	Salt	Centrifuge & Body Evaporator, DCS, Heaters, Cooling Towers, Fluidised Bed Dryer
	Sriperumbudur, India	FOS	Bio-reactors, Spray Dryers
Industry Essentials	Mithapur, India	Synthetic soda ash	Compressors, Steam Tube Dryer, DCS, Absorber, Kilns, Carbonating Towers
		Bi-carb	Wet Calciner, Filters, Tanks, Carbonating Tower, Centrifuge
	Northwich (Winnington & Lostock), United Kingdom	Soda Ash	Absorbers, Distillers, Kilns, Carbonation Towers, Filters, Secheurs, Dryer, Packing Machines
		Bi-carb	
	Middlewich, United Kingdom	Salt	Brine Purification, Boilers, 6-Effect Evaporator Train, Fluid Bed Driers, Centrifuges, Pack-lines, DCS, Compactors
	Wyoming, United States	Natural soda ash - Mined	Bore & Continuous Miner, Calciner, Evaporator, Dryer
Magadi, Kenya	Natural soda ash - Dredged	Rotary Kilns, Centrifuge, Dredges	
Farm Essentials	Halidia, India	SSP	Mixer, Den, Ball Mills, Scrubber
		DAP / NPK	Granulator, Pulverizer, Rotary Dryer, Hot Air Generator
	Ankleshwar, Gujarat (Rallis)	Fungicides	WDG Plant, Cryogenic Brine, Glass lined and SS Reactors, FBD's, Rotary Vacuum Driers, centrifuges, Ionisation filter, continuous fluid bed driers, RO plants, Effluent treatment plant
		Other Products	Glass Lined and SS Reactors, Glass Lined Columns
	Lote, Maharashtra (Rallis)	Insecticides	Driers, SS and Glass Lined Reactors, Centrifuges, Fractionating Columns, Effluent treatment
	Dahej, Gujarat (Rallis)	Herbicides and Fungicides	Glass Lined and SS Reactors, Effluent Treatment
	Akola, Maharashtra (Rallis)	Fungicide , Insecticide, Plant Growth Nutrients	Reactors , storage Tank, sparkler filters Automatic filling machines, labelling machines, printers, melter

FOS - Fructooligosaccharides; SSP - Single Superphosphate; DAP - Di-Ammonium Phosphate; NPK - Nitrogen, Phosphorous & Potassium; DCS - Distributed Control System

## Human Capital

	UOM	FY15	FY16	FY17
Employees covered under functional capability programme*	%	61.70%	60.40%	61.50%
Diversity - Based on women employees in workforce**	%	5.70%	6.00%	6.30%
Employee Health Index – Representing overall health condition of employees at the plant^	%	70.30%	72.60%	70.30%
Training days per employee#	No.	5.01	4.23	3.4
Employee Engagement Scores – Based on employee survey carried out by external partner**	%	70	-	68
Voluntary attrition*	%	7.60%	7.20%	9.60%
Black & Green Belt certified employees###	No.	252	314	321
Doctorates in R&D roles###	No.	58	60	70

\* TCL India

\*\* Employee engagement survey conducted every two years, by our partner Aon Services India Pvt Ltd. Scores excludes Rallis and its subsidiaries

^ Employees at Mithapur plant

# Conscious effort has been made to move to digital mode of training delivery however details are not captured here

\*\* TCL India, TCNA, TCE, Metahelix, Rallis, TCM, TCIPL

### TCL India, TCNA, TCE, Metahelix, Rallis, TCM

## Social and Relationship Capital

	UoM	FY15	FY16	FY17
Total children covered under capacity building and education programme*	No.	44,944	23,584	20,137
Community Satisfaction Index#	No.	4.04	4.08	4.06
Supplier Satisfaction Index##	No.	88.0	88.0	-
Customer Satisfaction Index - Consumer Products				
TCL-Distributor	No.	81	79	71
TCL-Stockist	No.	78	68	73
TCL-Retailer	No.	68	65	75

\* TCL India and Rallis

# It is an internal assessment to measure the impact of initiatives taken by TCL for our communities and understand their requirements to serve them better

## The Supplier Satisfaction survey methodology is currently under revision to cover all our vendors holistically. The survey would be completed by the end of September 2017

# Interlinkage of *Capitals*

*Interlinkages and spend between the 6 capitals in FY2016-17*



## Financial Capital

**Revenue Earned**  
**Standalone: ₹ 8,454 crore**  
**Consolidated: ₹ 15,272 crore**



## Manufactured Capital

**Capex as % of Revenue**  
**Standalone: 3%**  
**Consolidated: 4%**



## Intellectual Capital

**0.5% of Revenue\***  
 Spent on R&D and innovation  
 (\*for TCL Standalone)



## Human Capital

**5% of Revenue (Standalone)**  
**10% of Revenue (Consolidated)**  
 On Employee Cost\* : Expenses towards wages, salaries and other benefits

\* Employee Costs do not include non-permanent labour



## Social and Relationship Capital

**2.16% of PAT\***  
 on CSR spent

\* CSR spent is calculated on average profit for last 3 financial years as per Companies Act, 2013



## Natural Capital

**22% of Revenue (Standalone)**  
**17% of Revenue (Consolidated)**  
 on Raw Materials