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The Management

Tata Chemicals Limited
Mumbai, India

Independent Assurance Report

Tata Chemicals Limited (the Company) has requested Ernst & Young to provide an independent assurance on its Corporate Sustainability Report which covers its sustainability performance from 1 April 2006 to 31 March 2008. The Company's management is responsible for the content of the report, identification of the key issues, engagement with stakeholders and its presentation. Ernst & Young's responsibility is to provide "limited assurance" in accordance with International Standard on Assurance Engagements (ISAE 3000) on the report content as described in the scope of assurance. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization.

Scope of Assurance

The scope of the assurance covers sites and indicators considered relevant to the Company and include:

- Data and information related to the Company's sustainability performance for the period 1 April 2006 to 31 March 2008.
- The sustainability specific data and information related to energy, water, waste, emissions, biodiversity and accidents, covering the Company's manufacturing locations at Babrala, Haldia & Mithapur.
- The Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data.

Exclusions

The assurance scope excludes:

- Aspects of the Report other than those mentioned above;
- Data and information outside the defined reporting period (1 April 2006 to 31 March 2008) and other than the indicators mentioned above;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Issues related to Intellectual Property Rights and other competitive issues;
- Data and information on economic and financial performance of the Company.

Methodology

The assurance was based on interaction with key personnel of the Company to identify the processes in place; capture sustainability performance data as per GRI G3 guidelines; followed by reviews of the processes for collecting, compiling, and reporting these indicators at the corporate and operating unit levels.

We conducted our review in accordance with International Standard on Assurance Engagements (ISAE 3000), "Assurance engagements other than audits of review of historical information" issued by International Audit and Assurance Standards board.



Ernst & Young's multidisciplinary team of professionals visited the Company's manufacturing locations and corporate office to gain assurance on the data and information presented in the report. The team interacted with a select set of internal and external stakeholders; reviewed the Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data to arrive at the conclusions.

Site Visits to the Company's locations at Babrala, Haldia and Mithapur:

Site visits to manufacturing locations (Babrala, Haldia and Mithapur) were carried out to review the sustainability performance data. Sample data was tested for its auditability and accuracy. Assumptions made for arriving at final numbers against the sustainability performance indicators were understood and necessary clarifications were obtained. Stakeholder engagement process was reviewed through interviews with concerned personnel.

Appropriate evidences to support the conclusions in this assurance report were obtained. Most of the information and data reviewed were supported with documentary evidence; wherever such documentary evidence could not be collected on account of confidential information, our team physically reviewed the documents.

Observations

Our observations on the Report are as follows:

- The report has highlighted several initiatives, and the following merit attention :
 - Elaborates on sustainability objectives for its strategic planning process including "Green Manufacturing Index" to drive sustainable manufacturing at all sites;
 - The report mentions the Company's commitment to be a "Green Company" through development of nano-products and green chemistry;
 - Biodiversity efforts of the Company have been described in detail especially those relating to conservation of whale shark at Mithapur;
- The report covers core performance indicators and presents the triple-bottom-line performance of the Company;
- The processes are in place to ensure that performance indicators are checked for completeness and accuracy. However, the data management systems related to energy management have scope for improvement.

Conclusions

On the basis of our assurance, nothing has come to our attention that would cause us not to believe that:

- The Company has established a reasonable process to determine key sustainability issues that are material to the Company;
- The Report represents the relevant parameters of the Company's sustainability performance covering the units.
- The Company has demonstrated effort to prepare the Report on the basis of the G3 guidelines of the Global Reporting Initiative.

for Ernst & Young Private Limited

A handwritten signature in black ink, appearing to read 'Sudipta Das', written over a light blue horizontal line.

Sudipta Das, Partner

5 December 2008