

# Board's Report

## TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their Eighty-Second (82nd) Annual Report on the performance of the Company together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2021.

## 1. Financial Results

₹ in crore

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from continuing operations</b>	<b>2,999</b>	<b>2,920</b>	<b>10,200</b>	<b>10,357</b>
<b>Profit before depreciation and finance costs</b>	<b>830</b>	<b>1,027</b>	<b>1,735</b>	<b>2,260</b>
Depreciation and amortisation expense	197	150	760	666
<b>Profit before finance costs</b>	<b>633</b>	<b>877</b>	<b>975</b>	<b>1,594</b>
Finance costs	19	43	367	342
<b>Profit before share of profit of joint ventures and tax</b>	<b>614</b>	<b>834</b>	<b>608</b>	<b>1,252</b>
Share of profit/(loss) of joint ventures	-	-	26	(4)
<b>Profit before tax</b>	<b>614</b>	<b>834</b>	<b>634</b>	<b>1,248</b>
Tax expense	135	162	198	220
<b>Profit from continuing operations after tax</b>	<b>479</b>	<b>672</b>	<b>436</b>	<b>1,028</b>
<b>Profit from discontinued operations after tax</b>	<b>-</b>	<b>6,168</b>	<b>-</b>	<b>6,200</b>
<b>Profit for the year</b>	<b>479</b>	<b>6,840</b>	<b>436</b>	<b>7,228</b>
Attributable to:				
- Equity shareholders of the Company	479	6,840	256	7,006
- Non-controlling interests	-	-	180	222
Other comprehensive income ('OCI')	1,081	(542)	1,417	(406)
<b>Total comprehensive income</b>	<b>1,560</b>	<b>6,298</b>	<b>1,853</b>	<b>6,822</b>
<b>Balance in retained earnings at the beginning of the year</b>	<b>5,860</b>	<b>5,742</b>	<b>6,186</b>	<b>5,193</b>
Profit for the year (attributable to equity shareholders of the Company)	479	6,840	256	7,006
Remeasurement of defined employee benefit plans (net of tax)	21	(38)	93	(27)
Dividends including tax on dividend <sup>#</sup>	(280)	(379)	(280)	(384)
Deemed dividend on demerger	-	(6,308)	-	(6,308)
Acquisition of non-controlling interests	-	-	-	718
Others	(2)	3	(1)	(12)
<b>Balance in retained earnings at the end of the year</b>	<b>6,078</b>	<b>5,860</b>	<b>6,254</b>	<b>6,186</b>

<sup>#</sup>Dividend declared in the previous year and paid during the respective reporting year

## 2. Dividend

For FY 2020-21, the Board of Directors has recommended a dividend of ₹ 10 per share i.e. 100% (previous year ₹ 11 per share i.e. 110%) on the Ordinary Shares of the Company. If declared by the Members at the ensuing Annual General Meeting ('AGM'), the total dividend outgo during FY 2021-22 would amount to ₹ 255 crore (previous year ₹ 280 crore).

## 3. Performance Review & State of Company's Affairs

### 3.1 Consolidated:

On a consolidated basis, the revenue from operations decreased from ₹ 10,357 crore in FY 2019-20 to ₹ 10,200 crore for FY 2020-21. This was mainly on account of the impact on soda ash business due to drop in the global demand during the first quarter of FY 2020-21 (sale volume down by approximately 11% in FY 2020-21). The profit before tax from continuing operations decreased from ₹ 1,248 crore in FY 2019-20 to ₹ 634 crore in FY 2020-21, down 49% due to a drop in volumes and prices, both of which affected the profitability. For more details, please refer to Management Discussion and Analysis.

### 3.2 Standalone:

On a standalone basis, the revenue from operations was ₹ 2,999 crore for FY 2020-21 as against ₹ 2,920 crore for FY 2019-20. Profit before tax from continuing operations decreased from ₹ 834 crore in FY 2019-20 to ₹ 614 crore in FY 2020-21, down 26%, mainly due to the drop in prices of soda ash during the year. For more details, please refer to Management Discussion and Analysis.

## 4. Management Discussion and Analysis

The Management Discussion and Analysis, as required in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), forms part of this Integrated Annual Report.

## 5. Business Overview

The Company has two business segments viz. Basic Chemistry Products and Specialty Products catering to varied customer segments such as Industrial, Food and Farm customers. Basic Chemistry Products mainly consist of soda ash, salt, sodium bicarbonate, etc. The operations in this segment are spread across India, the United States of America ('USA' or 'US'), the United Kingdom ('UK') and Kenya. It caters to customers in Glass, Detergent, Feed, Food and Pharma industry. Specialty products consists of specialty food ingredients such as Prebiotics, Formulations

for Feed, Food and Pharma customers, Specialty Silica for Rubber/Tyre industry and Crop Care and Seeds for the Farm sector through its subsidiary, Rallis India Limited.

The Company is on a transformation journey with a focus to grow along the vectors promoting sustainability and good health. In line with this, growth will increasingly be in food ingredients such as bicarbonate, iodised and fortified salt, prebiotics and other formulations in nutrition area and silica for rubber and tyre industry in line with sustainability-led changes in this area. Soda ash also is a key ingredient in container glass (which is a substitute for plastic packaging), solar PV glass panels, lithium extraction and detergents (for wash). Crop Care and Seeds play a key role in food and nutrition security and the Company is focussed on products which are sustainable.

### 5.1 Basic Chemistry Products

#### Standalone (India)

For FY 2020-21, the revenues from the Basic Chemistry Products business stood at ₹ 2,845 crore, marginally up as against ₹ 2,837 crore in the previous year. Profit before tax for FY 2020-21 was ₹ 645 crore as against ₹ 819 crore in the previous year, lower by 21%.

#### Soda Ash

The supply of soda ash exceeded the demand throughout the year. Lower demand due to Covid-19, higher pipeline inventories and imports at low prices kept the realisations under pressure. Sales of soda ash for FY 2020-21 stood at 6,21,299 metric tonne ('MT'), marginally lower by 2% compared to the previous year. Operations were impacted due to flooding caused by cyclonic conditions over the Arabian Sea during part of the year which led to increase in cost of raw materials like salt.

#### Sodium Bicarbonate

Sales of sodium bicarbonate witnessed a marginal drop of 2%. Production volumes also witnessed a drop of 6% over the previous year. The Company markets three value added grades of Bicarb – Sodakarb (food grade), Alkakarb (feed grade) and Medikarb (pharma grade).

#### Salt

The demand for salt from our key customer, Tata Consumer Products Limited was higher during the year and the plant was successful in increasing the output to meet the requirement even amid the pandemic. The Company recorded highest ever production of salt at 12.22 lakh MT during FY 2020-21 compared to FY 2019-20 of 10.78 lakh MT. In addition, the project to expand salt capacity further to meet with projected demand increase is on schedule.

### Other Products

Sale of other products like bromine, cement, etc. was close to the previous year's figures. Bromine production was impacted due to the extended monsoon and resultant dilution of bittern. The Company's cement production volumes recovered by 8% during the year and stood at 3.91 lakh MT. Cement pricing and margin were under pressure.

### Subsidiaries

#### Tata Chemicals North America Inc., USA ('TCNA') (as per USGAAP)

During FY 2020-21, the production volumes at TCNA were lower by 18% compared to the previous year, mainly on account of reduced demand owing to Covid-19 pandemic. During FY 2020-21, overall sales volumes were down by 15% compared to the previous year. This was driven primarily by volumes decreasing in the export markets.

TCNA posted a revenue of US\$ 388 million (₹ 2,878 crore) for FY 2020-21 compared to US\$ 480 million (₹ 3,403 crore) in the previous year. For FY 2020-21, EBITDA at TCNA was US\$ 48.1 million (₹ 357 crore) against US\$ 104.8 million (₹ 743 crore) in FY 2019-20.

This sharp reduction in volumes led to TCNA posting a loss after tax and non-controlling interest of US\$ 12.8 million (₹ 95 crore) during FY 2020-21 compared to the profit after tax and non-controlling interest of US\$ 36.0 million (₹ 251 crore) in FY 2019-20.

#### TCE Group Limited, UK ('TCE group') (as per IFRS)

TCE Group Limited's business consists of soda ash, sodium bicarbonate and salt (referred as 'UK Operations'). The revenue from the UK Operations for FY 2020-21 was £ 145.2 million (₹ 1,409 crore) compared to £ 150.4 million (₹ 1,356 crore) in FY 2019-20.

Soda ash and salt sales volumes were down by 7% and 5% respectively compared to the previous year on account of reduced demand caused by lockdowns in relation to the Covid-19 pandemic, leading to reduction in EBITDA for FY 2020-21 for the UK Operations to £ 14.2 million (₹ 138 crore) from £ 17.4 million (₹ 157 crore) in FY 2019-20. UK Operations posted a loss after tax of £ 5.8 million (₹ 56 crore) compared to a profit after tax of £ 1.5 million (₹ 13 crore) in the previous year.

#### Tata Chemicals Magadi Limited, Kenya ('TCML') (as per IFRS)

During FY 2020-21, sales volumes were lower by 7% over FY 2019-20. TCML achieved revenue of US\$ 55.4 million (₹ 411 crore) for FY 2020-21 as against revenue of US\$ 67.9 million (₹ 481 crore) in the previous year, a decrease

of 18%. For FY 2020-21, TCML registered an EBITDA of US\$ 9.6 million (₹ 71 crore) as against the EBITDA of US\$ 8.3 million (₹ 59 crore) in the previous year, higher by 16%. The increase in EBITDA was due to better cost control and lower sea freights to markets.

TCML recorded a net profit of US\$ 2.8 million (₹ 21 crore) in FY 2020-21 against a net loss of US\$ 0.1 million (₹ 1 crore) in FY 2019-20.

The county government had issued a demand during FY 2018-19 for an arbitrary increase in land rates, which was struck down subsequently by Hon'ble High Court. TCML has filed an appeal for reconsideration of the other related issues raised in the petition before the Hon'ble High Court and the appeal is pending. TCML is working with Kenya national authorities and government to arrive at a fair and transparent resolution of the issues.

## 5.2 Specialty Products

### Standalone

#### Performance Materials

The Company manufactures and sells Specialty Silica Products to food, rubber and tyre industry. Silica is a versatile material with varied applications and with changes in regulations, its use in the tyre industry is expected to accelerate. FY 2020-21 was also the first year of steady operations at the Silica plant at Cuddalore, Tamil Nadu which the Company had acquired few years ago. Several improvements in facilities were done to make it compliant with requisite standards. The Company's food grade silica has received customer approvals. Trials with customers for other applications in rubber and tyre industry are underway and are in different stages of acceptance.

#### Nutrition Sciences

The Company manufactures and sells Specialty Nutrition Products under the brand 'Tata NQ' which primarily consists of Fructooligosaccharide ('FOS') a prebiotic dietary fibre that promotes the growth of gut microbiome which in turn has been known to positively impact digestive and immune health. FY 2020-21 was the first full year of commercial operations of newly set-up greenfield unit in Nellore, Andhra Pradesh that produces prebiotic fibre, FOS. The Company received key certifications viz. Food Safety System Certification - FSSC 22000 and FDA registration which enabled it to service new markets and provide assurance to the customers of quality standards. The FOS volumes grew by 143% over the previous year mainly owing to the growth from International markets that the Company serviced for the first time. The Company is focussed on further improving the utilisation rates.

## Subsidiary

### Agri Sciences - Rallis India Limited ('Rallis') (as per TCL consolidated books)

Rallis is the Company's listed subsidiary focussed on specialty products for the farm and agriculture sector consisting mainly of Crop Care and Seeds. During FY 2020-21, Rallis achieved a consolidated revenue from operations of ₹ 2,424 crore in FY 2020-21 compared to ₹ 2,248 crore in FY 2019-20, an increase of 8%. The net profit after tax stood at ₹ 229 crore, higher by 24% as against a net profit after tax of ₹ 185 crore in FY 2019-20.

During FY 2020-21, the Domestic business of Rallis achieved a revenue of ₹ 1,287 crore as against ₹ 1,165 crore in FY 2019-20, an increase of 10% on account of robust farm demand. Key crops which have shown major growth are Paddy, Cotton, Sugarcane, Soybean, Pulses, Chilli, Tea, Tomato and Grapes. Due to Covid-19 and labour shortage, the demand for herbicide products also increased.

During the year under review, the International business of Rallis achieved a revenue growth of 3% over the previous year at ₹ 741 crore as against ₹ 722 crore in FY 2019-20. During the year under review, Rallis secured new registrations in strategic overseas markets.

During FY 2020-21, the Seeds division of Rallis delivered a revenue of ₹ 401 crore as against ₹ 364 crore during FY 2019-20, an increase of 10% driven by volume growth in Maize & Vegetables and price increase across the categories. Overall, the focus remains to deliver growth through new product introductions, deepening customer reach and increasing international registrations.

## 6. Finance and Credit Ratings

During the year under review, the liquidity and cash positions were monitored with reinforced focus and close controls over the working capital and discretionary capital expenditures. Earnings from the cash surplus investments, comprising mutual funds/bank fixed deposits/debentures (bonds) during the year saw a reduction due to the drop in the market interest rates. Nevertheless, utmost importance was given to ensure the safety and liquidity of surplus cash.

Amid a particularly volatile global financial market in FY 2020-21, the overseas subsidiaries of the Company concluded refinancing agreements of US\$ 100 million in Valley Holdings Inc., US\$ 275 million in Tata Chemicals North America, US\$ 45.5 million in Homefield Pvt. UK Limited and £ 55 million in British Salt Limited.

During FY 2020-21, Rallis, a subsidiary and IMACID, a joint venture paid dividends of ₹ 24 crore (FY 2019-20: ₹ 24 crore)

and ₹ 26 crore (FY 2019-20: ₹ 72 crore) respectively to the Company. Valley Holdings Inc., the Company's step-down overseas subsidiary, which holds investments in the US operations, paid a dividend of US\$ 20.9 million (₹ 155 crore) [FY 2019-20: US\$ 30.1 million (₹ 214 crore)], which was utilised for operational requirements, external finance costs and capital funding requirements at Tata Chemicals International Pte. Ltd., Singapore and other group companies.

There being no change in the credit ratings during the year, the Company as on March 31, 2021 had the following credit ratings:

- Long Term Corporate Family Rating – Foreign Currency of Ba1/Stable from Moody's Investors Service
- Long Term Issuer Default Rating (IDR) of BB+ with Stable outlook from Fitch Ratings
- Long Term bank facilities (fund-based limits) of ₹ 1,897 crore and short term bank facilities (non-fund based limits) of ₹ 2,448 crore are rated at CARE AA+ (Outlook: Stable) and CARE A1+ respectively, by CARE Ratings and
- Commercial Paper of ₹ 600 crore is rated at CRISIL A1+ by CRISIL Ratings

Upon refinancing of the loan facility at Tata Chemicals North America, Inc. during June 2020, the existing credit ratings being no longer needed were discontinued.

## 7. Dividend Distribution Policy

In accordance with Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders. The Policy is attached to this Report as **Annexure 1** and the same is available on the Company's website at <https://www.tatachemicals.com/DividendDistPolicy.htm>.

## 8. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2020-21 in the retained earnings.

## 9. Responding to an unprecedented challenge: The Covid-19 pandemic

FY 2020-21 was an unprecedented year with Covid-19 pandemic impacting the globe and global supply chains, amidst biggest global health crisis ever faced by the world. The uncertainty around the resurgence of second wave



across India towards the end of March 2021 is being closely monitored and all necessary actions are underway.

In order to respond to the pandemic effectively, the Company navigated through these difficult times by developing and adopting a multi-pronged strategy. The Company practised extreme care and caution towards the health and well-being of its employees and partners while ensuring this care and caution was extended to the community at large. The Company's operations and assets were managed to ensure prioritisation of products that were part of essential needs of the masses and markets by optimising on available manpower, raw materials and supply chain support. The Company regularly adhered to various guidelines and advisories issued by the authorities from time to time including maintaining social distancing at all its plant operations. Reduced manpower in shift working, working from home, staggering of breaks and postponing non-critical projects were some of the actions taken in conjunction with provision of all facilities such as sanitation, temperature checks, masks, etc. The Company maintained strict vigilance over cash conservation and working capital optimisation besides initiating digital interventions to move to touchless and remote operations.

## 10. Deposits from Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2021.

## 11. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report initiatives taken from an environmental, social and governance perspective in the prescribed format forms part of this Integrated Annual Report.

## 12. Related Party Transactions

The Company has formulated a Policy on Related Party Transactions which is available on the Company's website at <https://www.tatachemicals.com/RPTPolicy.htm>. All related party transactions entered into during FY 2020-21 were on arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the year under review by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 ('the Act') in Form No. AOC-2 is not applicable to the Company for FY 2020-21 and hence the same is not provided.

All transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. The related party transactions entered into pursuant to the omnibus approval so granted are also reviewed by the internal audit team on a half-yearly basis.

The details of the transactions with related parties are provided in the accompanying Financial Statements.

## 13. Risk Management

Risk Management at Tata Chemicals forms an integral part of Management focus.

The Risk Management Policy of the Company provides the framework of Enterprise Risk Management ('ERM') by describing mechanisms for the proactive identification and prioritisation of risks based on the scanning of the external environment and continuous monitoring of internal risk factors. The ERM framework identifies, evaluates, manages and reports risks arising from the Company's operations and exogenous factors.

The Company has deployed bottom-up and top-down approaches to drive enterprise wide risk management. The bottom-up process includes identification and regular assessment of risks by the respective business units and implementation of mitigation strategies. This is complemented by a top-down approach where the senior management as well as the Board level Risk Management Committee ('RMC') identifies and assesses long-term, strategic and macro risks for the Company.

The RMC oversees the risk management process in the Company. The RMC is chaired by an Independent Director and the Chairperson of the Audit Committee is also a member of the RMC. This robust governance structure has also helped in the integration of the ERM with the Company's strategy and planning processes where emerging risks are used as inputs in the strategy and planning process. Identified risks are used as one of the key inputs in the strategy and business plan.

A systematic review of risks identified is subject to a series of focussed meetings of the empowered Risk Management Group (Senior Leadership Team), respective Business level/ Subsidiary level Committee and the RMC of the Board. The RMC meets periodically to review key strategic and operational risks and assess the status of mitigation measures.

Based on benchmarking and inputs from global standards on ERM, the Risk Management process has been deployed across geographies and businesses.

Some of the risks identified are set out in the Management Discussion and Analysis which forms part of this Integrated Annual Report.

## 14. Corporate Social Responsibility

The Corporate Social Responsibility ('CSR') activities of the Company are governed through the Corporate Social Responsibility Policy ('CSR Policy') approved by the Board. The CSR Policy guides in designing CSR activities for improving quality of life of society and conserving the environment and biodiversity in a sustainable manner. The CSR Committee of the Board oversees the implementation of CSR Projects in line with the Company's CSR Policy.

The Company has adopted a participatory approach in designing need-based CSR programmes which are implemented through Tata Chemicals Society for Rural Development ('TCSR'), the Tata Trusts and with various government and non-government institutions.

**Building economic capital:** The Company focusses on poverty alleviation and creating livelihoods, both linked to farm and non-farm based activities.

**Ensuring environmental integrity:** The Company's main focus is on management of natural resources and conservation of environment. The key programmes include land and water management activities, waste management, preservation of biodiversity and mitigation of climate change impacts. Under the Swachh Bharat Abhiyan, the Company through TCSR set up a dry waste processing plant at Mithapur.

**Enablers for social, economic and environmental development:** The Company's key programme is the Holistic Nutrition Programme which targets the first 1,000 days of a child. Additionally in the neighbourhood, the Company conducts regular health and nutrition camp.

The education programme focusses on students starting from primary to the post-graduation level. Educational support is provided for 100% enrolment of children and improving quality of education.

The Company helps to provide clean water through roof rainwater harvesting structures, repair of hand pumps, supporting households with water purifier systems through Samridhi and Swach Tarang Project.

**Building social capital:** Building the social capital for long-term sustainability is a key cross-cutting theme in all these programmes.

Women empowerment, reducing inequality of marginalised communities (through Affirmative Action), partnerships for achieving goals and setting up sustainable social enterprise models (Okhai and Ncourage Social Enterprise Foundation) are key initiatives for achieving the same.

The Company also responds to disasters that hit any part of India and in the neighbourhood of all its manufacturing plants.

The Annual Report on CSR activities for FY 2020-21 is enclosed as **Annexure 2** to this Report.

## 15. Whistleblower Policy and Vigil Mechanism

The Company has devised an effective whistleblower mechanism enabling stakeholders, including individual employees and their representative bodies, to communicate their concerns about illegal or unethical practices freely. The Company has also established a vigil mechanism for stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Protected disclosures can be made by a whistleblower through several channels. The Whistleblower Policy of the Company ('the Policy') provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel of the Company has been denied access to the Chairperson of the Audit Committee. The Policy also facilitates all employees of the Company to report any instance of leak of unpublished price sensitive information.

A dedicated Ethics Helpline has been setup which is managed by an independent professional organisation for confidentially raising any ethical concerns or practices that violate the Tata Code of Conduct.

The Policy is also posted on the website of the Company at: <https://www.tatachemicals.com/WhistleblowerPolicy.htm>.

## 16. Prevention of Sexual Harassment ('POSH')

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has formed an Internal Committee ('IC') for its workplaces to address complaints pertaining to sexual harassment in

accordance with the POSH Act. The Company has a detailed policy for prevention of sexual harassment at workplace which ensures a free and fair enquiry process with clear timelines for resolution.

No complaints were pending at the beginning of the year. During the year under review, two concerns were reported which were investigated and appropriate action was taken. No complaint was pending as at the end of the financial year.

To build awareness in this area, the Company has been conducting awareness sessions during induction, periodically through online modules and webinars (no classroom trainings were conducted due to Covid-19). Awareness sessions were conducted with permanent employees, third-party employees and contract workmen. A special virtual awareness programme was organised for all the employees of the Company through webinar on POSH in July 2020.

## 17. Particulars of Loans, Guarantees and Investments

The Company has not given any loans during the year under review. The Company has made an investment of ₹ 150 crore in Non-Convertible Debentures (NCDs) and ₹ 40 crore in equity shares through rights issue of Tata International Limited.

The Company also invested ₹ 9 crore in Tata Steel Limited ('Tata Steel') wherein the partly paid shares of Tata Steel were converted to fully paid shares. The Company sold 12,85,110 shares in Tata Teleservices Limited (book value: Nil). During the year under review, the Company has provided additional corporate guarantee of US\$ 34.2 million to Homefield Private UK Limited, £ 96 million to Natrium Holdings Limited and £ 9.6 million to Tata Chemicals Europe Limited, subsidiaries of the Company.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

## 18. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2020-21 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Integrated Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate annual accounts in respect of subsidiaries are available on the website of the Company.

The annual accounts of the subsidiaries and related detailed information will be made available to investors seeking information till the date of the AGM. They are also available on the website of the Company at <https://www.tatachemicals.com/Investors/AGM-documents>.

## 19. Subsidiary Companies and Joint Ventures

As on March 31, 2021, the Company had 33 (direct and indirect) subsidiaries (2 in India and 31 overseas) and 4 joint ventures. There has been no material change in the nature of the business of the subsidiaries.

There were following changes pertaining to subsidiaries during the year under review:

- 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-1'), a wholly owned subsidiary, with the Company with an Appointed Date of April 1, 2019. The Registrar of Companies at Mauritius removed the name of Bio-1 from the register of companies w.e.f. June 1, 2020 and accordingly, Bio-1 has ceased to be a subsidiary of the Company with effect from the said date
- The NCLT, Mumbai Bench also approved the Scheme of Arrangement between Zero Waste Agro-Organics Limited, a wholly-owned subsidiary of Rallis ('Zero Waste') and Rallis ('Scheme') on February 22, 2020 from the Appointed Date of April 1, 2017. The Effective Date of the Scheme is July 9, 2020. Accordingly, Zero Waste has ceased to be a subsidiary of the Company with effect from the said date
- Rallis Chemistry Exports Limited, a wholly owned subsidiary of Rallis ('RCEL') has been struck-off from the register of companies with effect from March 29, 2021 consequent to the voluntary striking-off application filed by it with the Registrar of Companies, Maharashtra, Mumbai. Accordingly, RCEL has ceased to be a subsidiary of the Company with effect from the said date
- PT Metahelix LifeSciences Indonesia, a subsidiary of Rallis received approval for the cancellation of its Company Registration Number and revocation of its business licence with effect from March 19, 2021.

Further, an application for cancellation of its Tax Identification Number has been made and the approval for the same is awaited

The Company's Policy on determining material subsidiaries, as approved by the Board, is uploaded on the Company's website at <https://www.tatachemicals.com/MaterialSubsPolicy.htm>.

A report on the financial position of each of the subsidiaries and joint ventures as per the Act is provided in Form No. AOC-1 attached to the Financial Statements.

## 20. Details of Significant and Material Orders

No significant and material orders were passed by the regulators or the courts or tribunals impacting the going concern status and the Company's operations in future.

## 21. Internal Financial Controls

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company uses an established Enterprise Resource Planning (ERP) system to record day-to-day transactions for accounting and financial reporting.

The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal audit team and statutory auditors to ascertain, their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

Details of internal control system are given in the Management Discussion and Analysis which forms part of this Integrated Annual Report.

## 22. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the

Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2021:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 23. Corporate Governance and Compliance

The Company strives to evolve and follow the best governance practices, not just to boost long-term shareholder value, but also to respect minority rights. The Company considers the same as its inherent responsibility to disclose timely and accurate information to its stakeholders regarding its operations and performance, as well as the leadership and governance of the Company. The Company is committed to the Tata Code of Conduct which articulates values and ideals that guide and govern the conduct of the Tata companies as well as its employees

in all matters relating to business. The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values.

The Company's governance guidelines cover aspects mainly relating to composition and role of the Board, Chairman and Directors, Board diversity and Committees of the Board.

With a view to uphold human rights as an integral aspect of doing business, being committed to respect and protect human rights and remediate adverse human rights impacts resulting from or caused by the Company's businesses, the Board adopted 'The Tata Business and Human Rights Policy' during the year under review.

The Company has in place an online compliance management system for monitoring the compliances across its various plants and offices. A compliance certificate is also placed before the Board of Directors every quarter.

In compliance with the SEBI Listing Regulations, the Corporate Governance Report and the Auditor's Certificates form part of this Integrated Annual Report.

## 24. Directors and Key Managerial Personnel

### Directors

#### Appointment

Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors made the following appointments during the year under review in accordance with the Company's Articles of Association and Section 161(1) of the Act, subject to approval of the Members at the forthcoming AGM:

- i. Appointed Mr. Rajiv Dube as an Additional Director in an independent capacity not liable to retire by rotation, for a period of 5 years commencing from September 18, 2020 to September 17, 2025
- ii. Appointed Mr. N. Chandrasekaran as an Additional Director (Non-Executive Non-Independent) and Chairman of the Board of Directors of the Company with effect from November 24, 2020

They hold office up to the date of the forthcoming AGM and the Company has received requisite Notices from Members in writing proposing their appointment as Directors of the Company.

The Board recommends for the approval of the Members by way of an Ordinary Resolution, the appointment of Mr. Dube as an Independent Director effective September 18, 2020 and Mr. Chandrasekaran as a Director on the Board

of the Company with effect from November 24, 2020, at Item Nos. 5 and 6 respectively, of the Notice convening the AGM.

During the year under review, at the 81st AGM of the Company held on July 7, 2020, the Members of the Company appointed Dr. C. V. Natraj and Mr. K. B. S. Anand as Independent Directors of the Company with effect from August 8, 2019 and October 15, 2019 respectively.

#### Re-appointment

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Zarir Langrana, Executive Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

#### Cessation

During the year under review, Mr. Bhaskar Bhat resigned as a Director of the Company with effect from November 24, 2020. The Board places on record its deep appreciation for the invaluable contribution and guidance rendered by Mr. Bhat.

### Independent Directors

In terms of Section 149 of the Act, Ms. Vibha Paul Rishi, Ms. Padmini Khare Kaicker, Dr. C. V. Natraj, Mr. K. B. S. Anand and Mr. Rajiv Dube are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of science and technology, digitalisation, strategy, finance, governance, human resources, safety, sustainability, etc. and that they hold highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

Details of Familiarisation Programme for the Independent Directors are provided separately in the Corporate Governance Report which forms a part of this Integrated Annual Report.

### Key Managerial Personnel ('KMP')

Mr. John Mulhall ceased as the Chief Financial Officer (CFO) of the Company with effect from March 31, 2021 upon his transfer as Managing Director & CEO of Tata Chemicals North America Inc., a wholly owned subsidiary of the Company.

Pursuant to the recommendations of the Nomination & Remuneration Committee and Audit Committee, the Board appointed Mr. Nandakumar S. Tirumalai as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from April 1, 2021.

In terms of the provisions of Section 2(51) and Section 203 of the Act, the following are the KMP of the Company:

- Mr. R. Mukundan, Managing Director & CEO
- Mr. Zarir Langrana, Executive Director
- Mr. Nandakumar S. Tirumalai, Chief Financial Officer (w.e.f. April 1, 2021)
- Mr. Rajiv Chandan, General Counsel & Company Secretary

### Procedure for Nomination and Appointment of Directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting the

potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position including expert knowledge expected is communicated to the appointee.

The list of core skills, expertise and competencies of the Board of Directors as are required in the context of the businesses and sectors applicable to the Company are identified by the Board and are available with the Board. The Company has also mapped each of the skills, expertise and competencies against the names of the Board Members possessing the same. The same is disclosed in the Corporate Governance Report forming part of this Integrated Annual Report.

### Scientific Advisory Board

The Board has constituted a Scientific Advisory Board consisting of scientists with relevant domain expertise under the Chairmanship of Dr. C. V. Natraj, Independent Director of the Company with a view to synergise the Research & Development initiatives at the Company's Innovation Centre and Research & Development Centres (Crop Care and Seeds respectively) of Rallis India Limited. Further details in this regard are provided in the Corporate Governance Report.

### Criteria for determining Qualifications, Positive Attributes and Independence of a Director

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the SEBI Listing Regulations. The relevant information has been given in **Annexure 3** which forms part of this Report.

### Board Evaluation

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual Directors for the year pursuant to the provisions of the Act and the SEBI Listing Regulations. The exercise of performance evaluation was carried out electronically through a secure application. This resulted in saving paper, reducing the cycle time to make documents available to the Board/Committee Members and in increasing confidentiality and accuracy.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long-term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation are broadly based on the Guidance Note issued



by SEBI on Board Evaluation which included aspects such as structure and composition of Committees, effectiveness of Committee Meetings, etc.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of the NRC had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole including the Chairman of the Board taking into account the views of Executive Directors and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Individual Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and the NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

The Company follows a practice of addressing each of the observations and suggestions by drawing up an action plan and monitoring its implementation through the Action Taken Report which is reviewed by the Board of Directors from time to time.

## 25. Remuneration Policy

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the SEBI Listing Regulations which is set out in **Annexure 4** forming part of this Report.

## 26. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, are provided in **Annexure 5** forming part of this Report.

## 27. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are enclosed as **Annexure 6** forming part of this Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at [investors@tatachemicals.com](mailto:investors@tatachemicals.com).

## 28. Auditors

### I. Statutory Auditors

At the AGM held on August 9, 2017, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of this Integrated Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### II. Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly, it has made and maintained such cost accounts and records. The Board on the recommendation of the Audit Committee has appointed D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditors of the Company for FY 2021-22 under Section 148 and all other applicable provisions of the Act.

D. C. Dave & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to D. C. Dave & Co. is included at Item No. 7 of the Notice convening the AGM.

### III. Secretarial Auditor

In terms of Section 204 of the Act and Rules made thereunder, Parikh & Associates, Practising Company Secretaries

(Firm Registration No. P1988MH009800), have been appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2021-22. The report of the Secretarial Auditors for FY 2020-21 is enclosed as **Annexure 7** forming part of this Report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in their Report.

## 29. Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

## 30. Other Disclosures

### I. Details of Board Meetings

During the year under review, nine (9) Board Meetings were held, details of which are provided in the Corporate Governance Report.

### II. Composition of Audit Committee

The Audit Committee comprised four (4) Members out of which three (3) are Independent Directors and one (1) is a Non-Executive Director. During the year under review, eleven (11) Audit Committee meetings were held, details of which are provided in the Corporate Governance Report. During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

### III. Composition of CSR Committee

The CSR Committee comprised four (4) Members out of which one (1) is an Independent Director. The Committee was reconstituted effective September 1, 2020 after which the Committee comprised three (3) Members out of which one (1) is an Independent Director. During the year under

review, three (3) meetings of the CSR Committee were held, details of which are provided in the Corporate Governance Report. The Company has revised the CSR Policy and the Charter pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR Policy is available on the website of the Company at <https://www.tatachemicals.com/CSRPoly2021.htm>. During the year under review, there were no instances when the recommendations of the CSR Committee were not accepted by the Board.

## IV. Secretarial Standards

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems were adequate and operating effectively.

## 31. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at <https://www.tatachemicals.com/MGT2021.htm>.

## 32. Acknowledgements

The Directors acknowledge the support extended by the Company's Unions and all the employees for their dedicated service.

The Directors would also like to thank the financial institutions, banks, government authorities, customers, vendors and other stakeholders for the continued support and co-operation.

The Directors deeply regret the loss of lives on account of the Covid-19 pandemic and place on record their sincere appreciation to all those who have gone beyond their duties in this fight against the pandemic.

**On behalf of the Board of Directors**

**N. Chandrasekaran**  
Chairman

DIN: 00121863

Mumbai, May 3, 2021

## Annexure 1 to Board's Report

# Dividend Distribution Policy

## Scope and Purpose

Tata Chemicals Limited ('the Company') shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The Securities and Exchange Board of India ('SEBI') vide its notification dated July 8, 2016, has inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has made it mandatory for the top 500 listed entities, based on market capitalisation, as on March 31 of every financial year to formulate a Dividend Distribution Policy ('Policy'). The Board of Directors of the Company has adopted the Policy which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders.

## Objective

The Policy defines the conditions for paying a dividend. The Board of Directors will recommend any annual dividend based on this Policy as well as any specific financial or market conditions prevailing at the time. The intention of the Policy is to set out the broad criteria to be considered when determining what dividend to declare or not declare to the shareholders of the Company.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

<b>Parameters adopted with regards to various classes of shares</b>	The Company has one class of equity share and no preference share capital. Any declared dividend will be divided equally among all shareholders, on the record date
<b>Frequency</b>	Dividends will generally be declared once a year after the announcement of full year results but before the Annual General Meeting  In years of exceptional gains or other events a special dividend may be declared
<b>Internal and External Factors</b>	When determining the annual dividend, the Company will consider, amongst other matters: <ul style="list-style-type: none"> <li>• The level of dividends paid historically</li> <li>• Actual results for the year and the outlook for business operations</li> <li>• Providing for anticipated capital expenditures or acquisitions, to further enhance shareholder value or meet strategic objectives</li> <li>• Setting aside cash to meet debt repayments</li> <li>• Retaining earnings to provide for contingencies or unforeseeable events</li> <li>• The overall economic environment</li> <li>• Changes in the cost and availability of external financing</li> <li>• Changes in government policy, industry rulings and regulatory provisions</li> </ul>

## Financial Parameters

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return

Based on the above, the Company will endeavour to maintain the steady level of dividend per share over the medium term

## Utilisation of retained earnings

- Capital expenditure
- Organic/Inorganic growth
- General corporate purposes, including contingencies
- Investments in the new/existing business
- Any other permitted use under the Companies Act, 2013

## Dividend Range

As in the past, subject to the provisions of applicable laws, the Company's dividend payout will be determined based on availability of financial resources, investment requirements and also take into account optimal shareholder return. The Company would endeavour to target a total dividend payout ratio in the range of 30% to 50% of the Annual Standalone Profits after Tax (PAT) of the Company

## Disclosure

The Board of Directors will review the Policy annually. Any revisions in the Policy will be communicated to shareholders in a timely manner. The Policy shall be disclosed in the Annual Report and on the website of the Company at <https://www.tatachemicals.com/DividendDistPolicy.htm>.

## Disclaimer

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman

DIN: 00121863

Mumbai, May 3, 2021

## Annexure 2 to Board's Report

# Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

## 1. Brief outline on CSR Policy of the Company:

Tata Chemicals Limited ('the Company') is committed to upholding the highest standards of Corporate Social Responsibility ('CSR'). The Company endorses the Tata Group's purpose of improving the quality of life of the communities it serves through long-term stakeholder value creation. The Company believes in positively impacting the environment and supporting the communities it operates in, focussing on sustainability of its programmes and empowerment of its communities.

The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website at <https://www.tatachemicals.com/CSRPoly2021.htm>.

## 2. Composition of CSR Committee as on March 31, 2021:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S. Padmanabhan (Chairman)	Non-Executive Non-Independent Director	3	3
2.	Dr. C.V. Natraj*	Independent Director	2	2
3.	Mr. R. Mukundan	Managing Director & CEO	3	3

\*Appointed as a Member of the Committee w.e.f. September 1, 2020

**Note:** Ms. Vibha Paul Rishi, Independent Director and Mr. Zarir Langrana, Executive Director ceased to be Members of the Committee w.e.f. September 1, 2020

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://www.tatachemicals.com/CSR.htm>

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, there are no projects undertaken or completed after January 22, 2021, for which undertaking impact assessment is applicable. However, the Company has been conducting impact assessments to monitor and evaluate its strategic CSR programmes from time to time.

In FY 2020-21, the Company had voluntarily undertaken an impact assessment study of its Community Development projects linked to Agriculture and Livestock management programme which was undertaken a few years ago. The study has been conducted by an agency viz. 'Change Alliance'. The study not only details the impacts and the benefits accrued by the community, it also proposes future development model for Agriculture and Livestock management programmes.

The Impact Assessment Report of the study undertaken voluntarily is uploaded on the website at: <https://www.tatachemicals.com/CSR.htm>

## 5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any –

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NOT APPLICABLE	

## 6. Average net profit of the Company as per Section 135(5):

₹ 925.27 crore for the preceding three Financial Years

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 18.51 crore
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: N.A.

(c) Amount required to be set-off for the financial year, if any: N.A.

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 18.51 crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20.92	Nil	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (no. of years)	Amount allocated for the project (₹ in crore)	Amount spent in the current financial year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementation Agency	
				State	District/ Area						Name	CSR Registration number
1.	Agriculture & Livestock Development	IV	Yes	Gujarat	Devbhumi Dwarka	3	1.00	1.00	NIL	No	Tata Chemicals Society for Rural Development (TCSRSD)	CSR00002564
2.	Handicrafts & Cluster Development	V	Yes	Gujarat	Devbhumi Dwarka	3	1.25	1.25	NIL	No		
3.	Skill Development	II	Yes	Gujarat, Maharashtra	Mithapur Mumbai/ Pune	3	5.65	6.12	NIL	Yes*		
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
				Uttar Pradesh	Aligarh							
4.	Natural Resource Management & Environment Conservation	IV	Yes	Gujarat	Mithapur	3	1.35	1.37	NIL	No		
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
5.	Health Care, Nutrition, Safe drinking water & Sanitation	I	Yes	Gujarat	Mithapur	3	2.13	2.02	NIL	No		
				Madhya Pradesh	Barwani							
				Maharashtra	Amravati							
				Mumbai	Mumbai							
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
6.	Education	II	Yes	Gujarat	Mithapur	3	1.40	1.40	NIL	No		
				Maharashtra	Porbandar							
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
7.	Inclusive Growth	III	Yes	Gujarat	Mithapur	3	1.45	1.40	NIL	No		
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
				Maharashtra	Mumbai							
Total							14.23	14.56				

\*Part of the funds were also spent through the implementing agency

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ crore)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District/Area			Name	CSR registration number
1.	Disaster Relief activity	XII	Yes	Gujarat Tamil Nadu	Mithapur Cuddalore	0.27	No	Tata Chemicals Society for Rural Development (TCSRSD)	CSR00002564
2.	Covid-19 Relief	I	Yes	Gujarat Maharashtra Tamil Nadu	Mithapur Mumbai Cuddalore	3.07	Yes*		
3.	Animal Health Care	IV	Yes	New Delhi		0.01	No		
4.	Environment Conservation	IV	Yes	Gujarat	Ahmedabad	0.01	No		
5.	Health Care - Tata Memorial Hospital/Cancer Care	I	No	West Bengal	Kolkata	0.20	No		
6.	Infrastructure Programme	II	Yes	Gujarat Andhra Pradesh Tamil Nadu	Mithapur Porbandar Mambattu Cuddalore	2.01	No		
<b>Total</b>						<b>5.57</b>			

\*Part of the funds were also spent through the implementing agency

(d) Amount spent in Administrative Overheads: ₹ 0.79 crore

(e) Amount spent on Impact Assessment: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 20.92 crore

(g) Excess amount for set-off, if any: ₹ 2.41 crore

Sl. No.	Particular	Amount (in ₹ crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	18.51
(ii)	Total amount spent for the financial year	20.92
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.41
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	2.41

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NOT APPLICABLE							

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed/ Ongoing
NOT APPLICABLE								



**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

- (a) **Date of creation or acquisition of the capital asset(s):** As per table below in (d)
- (b) **Amount of CSR spent for creation or acquisition of capital asset:** ₹ 89,370
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc:** TCSR, Near Town Office, TCL Township, Mithapur - 361345
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** As per table below

Assets Description	Date of Creation	Amount (₹)	Address
Infrastructure for training centre:			
a) Angle Racks	October 16, 2020	28,910	TCSR, Near Town Office, TCL Township, Mithapur – 361345
b) LED TV	May 15, 2020	33,920	
c) Vending Machine	January 18, 2021	26,540	
<b>Total</b>		<b>89,370</b>	

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):**

Not Applicable

**R. Mukundan**  
**Managing Director & CEO**  
 DIN: 00778253

Mumbai, May 3, 2021

**S. Padmanabhan**  
**Chairman-CSR Committee**  
 DIN: 00306299

Mumbai, May 3, 2021

Annexure 3 to Board's Report

# Criteria for Determining Qualifications, Positive Attributes and Independence of Directors

## 1. Definition of Independence

- A director will be considered as an 'Independent Director' ('ID') if the person meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
- The definition of Independent Director is as provided in the Act and Listing Regulations.
- Current and ex-employees of a Tata company<sup>1</sup> may be considered as independent only if he/she has or had no pecuniary relationship with any Tata company (due to employment/receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

## 2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ('NRC') consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- IDs ideally should be thought/practice leaders in their respective functions/domains.

## 3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1. Act in accordance with the articles of the company.
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. Exercise duties with due and reasonable care, skill and diligence and exercise independent judgement.
4. Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

5. Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.

6. Not assign his office.

Additionally, the Directors on the Board of a Tata company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgement.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act and adopted by the Board. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman

DIN: 00121863

Mumbai, May 3, 2021

<sup>1</sup>'Tata company' shall mean every company in which Tata Sons Private Limited or Tata Industries Limited or any company promoted by Tata Sons Private Limited or Tata Industries Limited is promoter or a company in which such companies whether singly or collectively hold directly or indirectly 26% or more of the paid-up equity share capital OR in which the shareholding of such companies represents the largest Indian holding apart from holdings of financial institutions/mutual funds OR a company which is permitted by Tata Sons Private Limited to use the Tata brand name.

## Annexure 4 to Board's Report

# Remuneration Policy for Directors, Key Managerial Personnel and other Employees

The philosophy for remuneration of Directors, Key Managerial Personnel ('KMP') and all other employees of Tata Chemicals Limited ('Company') is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ('Act') and Listing Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ('NRC') has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

## Key principles governing this remuneration policy are as follows:

### ♦ Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors ('ID') and Non-Independent Non-Executive Directors ('NED') may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain

and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

- Overall remuneration should be reflective of size of the Company, complexity of the sector/industry/ Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognised best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

◆ **Remuneration for Managing Director ('MD')/ Executive Directors ('ED')/KMP/rest of the employees<sup>1</sup>**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be -

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual
- Reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The Company provides retirement benefits as applicable.

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

◆ **Remuneration payable to Directors for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

- The services rendered are of a professional nature; and
- The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

**Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

**On behalf of the Board of Directors**

**N. Chandrasekaran**  
**Chairman**

DIN: 00121863

Mumbai, May 3, 2021

<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

## Annexure 5 to Board's Report

# Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

## A. Conservation of Energy

### (i) The steps taken or Impact on Conservation of Energy:

Following Lean Six Sigma ('LSS') and non-LSS projects were undertaken during FY 2020-21:

#### In Soda Ash Plant at Mithapur:

- Replacement of Ammonia Still preheater no. 6 and WLDS (Weak Liquor Distillation System) stack cooler to reduce efficiency loss
- Replacement of Hydrator no. 1 to improve lime hydration and temperature loss
- Replacement of CO<sub>2</sub> compressor no. 6 to reduce steam and water consumption
- Insulation of major equipment like Ammonia Still no. 6, Prelimer no. 6, Steam Tube Dryer nos. 1 and 9 to reduce heat loss
- Trial of various fuels at Soda ash kiln like Siberian Anthracite and coke breeze briquettes

#### In Make-Up Water ('MUW') Plants at Mithapur:

- Replacement of preheater higher area heat exchanger to improve energy efficiency in MUW-1 plant
- Replacement of evaporator body-101 with new evaporator body having increased height and volume in MUW-3 plant
- Optimisation of 120 psig steam consumption by providing a small diameter jumper in the 6-inch diameter vacuum line in MUW-3 plant
- Reduction of steam consumption by 25 Metric Tonne ('MT') per hour by converting unit-1 and unit-2 double effect evaporator to quadruple effect evaporator by using 50 psig steam in MUW-3 plant
- Flowmeter provided in magma draw line to maintain continuity in MUW-4 plant
- Reduction of magma draw auto valve size from 4 inch to 3 inch for better control in MUW-4 plant
- Flash steam from first effect condensate recycled to second effect to improve energy efficiency in MUW-4 plant

#### In the Cement Plant at Mithapur:

- Replacement of Cement mill outlet diaphragm screen segments to improve throughput of the mill
- Wet fly ash system revival to improve fly ash consumption in Masonry Cement
- Fuel mix with Low calorific value (CV) Indonesian coal
- Replacement of conventional lamps/tubes with efficient LEDs
- Ball mills grinding media regrounding to improve specific power
- Replacement of Coal mill diaphragm
- Commissioning of Kakkati vacuum pumps for pumping of CO<sub>2</sub> for carbonation of Effluent Solid Filtration ('ESF') filter feed slurry

#### Energy efficiency projects in Power Plant at Mithapur:

- High Pressure Boiler: HPB-3 with Pet coke and South African coal – exhaust flue gas temperature reduced from 150°C to 145°C
- HPB-4 with Indonesian coal – exhaust flue gas temperature reduced from 150°C to 140°C

#### Measures undertaken in Electrical Systems at Mithapur:

- New capital projects being undertaken with energy efficient motors, energy efficient lighting, high efficiency distribution transformers and Intelligent Motor Control Centres
- Replacement of conventional lamps/tubes with 4,835 efficient LEDs

#### In the Plant at Mambattu:

- Pressure Reduction Turbine [PRT] (4 Tonne Per Hour 160 KW): PRT installed with Pressure Reducing Valve (PRV - 4 TPH) helps to generate 2,400 units per day and simultaneously reduce the steam pressure from 16 bar to 1 bar for process evaporator requirement. The generation of PRT is 7.2 lakh units annually with 300 days operation

- Optimisation of unloading time for Air Compressor: Minimised low load compressor operations by diverting load to partially loaded compressor and optimised total unloading time which helped in reducing 10% of energy consumption of air compressors. Savings from modification of compressor system is 20,500 units per month and ₹ 15 lakh annually
- Optimisation of Air Handling Unit ('AHU') running hours by Building Management System ('BMS'): By using BMS, running hours of AHU have been optimised which helped in monthly savings of 15,500 units. Annual savings would be ₹ 10.88 lakh
- Reduction of Maximum Demand ('MD') from 3,000 KVA to 2,400 KVA: By reducing MD from 3,000 KVA to 2,400 KVA helps in reducing MD fixed cost from ₹ 11.5 lakh per month to ₹ 9.2 lakh per month. It helped in reducing overall total per unit cost by ₹ 7.4 per unit to ₹ 7.0 per unit

#### In the Silica Plant at Cuddalore:

- Reduction of sodium silicate specific consumption by modification of agitator blades, installation of better pump seals and auto packing machine and replacement of filter press skirt boards and scrapper
- Reduction of coal specific consumption by installation of dip pipes at hot water tanks, equaliser plate at spray dryer and strainers at different process lines and by automation of dryer operation using PLC

- Reduction of water specific consumption by implementing mechanical seal water recirculation system and installation of new filter plates
- Reduction of acid specific consumption by replacement of filter plates, installation of strainers at different process lines and streamlining the reaction process
- Reduction in specific power consumption by installation of capacitor banks, 6 Variable Frequency Drives (VFDs), 160 KVA Uninterrupted Power Supply (UPS) and continuous monitoring of energy

#### At the Innovation Centre, Pune:

- Installation of solar panels for street lights resulting in a saving of 3,185.13 kWh

### (ii) The steps taken by the Company for utilising alternate sources of energy:

- Use of alternate fuels at Mithapur:
  - Consumed 358 MT of shredded plastic in Cement kiln (supplied from TCSR facility)
  - Applied to Gujarat Pollution Control Board (GPCB) for 31 types of alternate fuels and are in receipt of 2 samples for trial
- Solar capacity increased from 1.15 MW to 1.9 MW at Mambattu by installation of Floating Solar Pond-2 (760 KW). It has increased annual solar generation capacity from 16.8 lakh units to 28 lakh units

### (iii) Capital Investment on Energy Conservation Equipments:

₹ in crore

Sl. No.	Project description	Capex cost
<b>In the Plant at Mithapur:</b>		
1.	Power House: Topper Turbine-7 major overhauling	0.71
2.	Topper Turbine-9 overhauling	0.01
3.	Power House: Topper Turbine-12 major overhauling and oil cooler	0.04
4.	Ammonia still pre-heater no. 6 & WLDS stack cooler	2.29
5.	Ball Mill no. 2 liner & grinding media	0.27
6.	Replacement of E-501 (Vacuum Dechlorination System Condenser) & E-601 (Chlorine Cooler)	0.57
7.	Vacuum Ejector, Pre-Heater & Air-Heater at MUW	0.19
8.	Power House: Ignifluid Boiler India Limited bed coil and bed super heater tube	0.26
9.	Soda Ash: Replacement of IR (Ingersoll Rand)-1 complete set with GHH	5.95
10.	Vacuum salt: Upgradation of MUW-3	11.18
11.	Chloro Caustic & Marine: upgradation of Electrolyser technology gradation	12.88
12.	Power House: Installation of Topper Turbine-1	13.97
<b>In the Silica Plant at Cuddalore:</b>		
13.	160 KVA UPS Installation	0.38
14.	Instrumentation upgrade of the entire process plant	1.75
15.	Auto packing system installation at tyre grade and food grade stream	2.50
16.	Motor Control Centre (MCC) panel upgrade	0.18
17.	Deck plate installation to arrest the silicate spillage	0.25
18.	Mechanical seal water recirculation setup	0.11
<b>Total</b>		<b>53.49</b>



## B. Technology Absorption

### (i) The efforts made towards Technology Absorption

#### At Mithapur:

- Nano seawater technology for brine purification in soda ash plant-project is under execution
- Solar salt washery project is under execution
- Implementation of IoT-based decision support system for soda ash carbonating tower efficiency improvements
- Upgradation of soda ash laboratory with Metrom automatic potentiometric titration machine
- Commissioning of latest 6th generation UHDE Electrolyser-1 in caustic soda plant. This is upgradation from Denora technology. It enables operating electrolyser at higher current density resulting in lower power consumption
- Addition of anthracite filtration unit enabling low load on brine filtration system and reducing alpha cellulose consumption
- Chlorine storage equipped with remote operated valves and content measurement redundancy for safe operation and handling of liquid chlorine

#### At Mambattu:

##### Production of FOS products:

- Created ISO class 8 standard cleanrooms for powder packing room and VFB and sifter area of spray dryer
- Installed auto cake disposal system for carbon filter press to avoid the manual operation and spillages on floor and maintain hygiene inside the plant

- Installed duct collection for sugar dissolution system to avoid dust generation during charging of sugar into system
- Installed dedicated chiller system to achieve the design throughput of spray dryer
- Installed auto ash handling system for boiler to mechanise the manual operation and maintain clean environment inside the plant
- Installed fine filters in product feed line and airline of spray dryer to control extraneous matter and improve the quality of finished goods

#### At Cuddalore:

- Installed auto packing system by Haver and Boecker at tyre grade and food grade production line to reduce the packing time
- Installed auto plate shifters at tyre grade filter presses to minimise human contamination

### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- R&D efforts to attain objectives of cost reduction, energy conservation, waste minimisation/recycling & reuse, related value added products, reduction in carbon footprint and environmental improvement
- Successfully developed oral grade silica
- Developed battery separator silica using RO water with targeted requirement by customers
- By installing net metering system, exported 1 lakh units of solar power to Grid and saved ₹ 6 lakh in FY 2020-21 by reducing power consumption

## (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

<b>(a) The details of technology imported</b>	Coromax for emission reduction in boilers (Mithapur)	SSMB* for purification of FOS (Mambattu)	Spray dryer for converting liquid into powder (Mambattu)	TKIS* electrolyser for caustic soda, circulator for MUW evaporator, Concetti packing machine (Mithapur)
<b>(b) The year of import</b>	2018-19	2019-20	2019-20	2020-21
<b>(c) Whether the technology has been fully absorbed</b>	Yes	Yes	No	Yes
<b>(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof</b>	N.A.	N.A.	50% is absorbed. The reason for not fully absorbing the technology is travel restriction of vendor due to Covid-19 crisis	N.A.

\*SSMB - Sequential Simulated Moving Bed

\*TKIS - ThyssenKrupp Industrial Solutions

## (iv) The expenditure incurred on Research &amp; Development (Standalone)

₹ in crore		
Particulars	2020-21	2019-20
Capital expenditure	5.36	2.13
Revenue expenditure	22.88	28.37
<b>Total R&amp;D expenditure</b>	<b>28.24</b>	<b>30.50</b>
<b>Total R&amp;D expenditure as a percentage of revenue from operations</b>	<b>0.94%</b>	<b>1.04%</b>

## C. Foreign Exchange Earnings and Outgo (Standalone)

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

₹ in crore		
Particulars	2020-21	2019-20
Foreign exchange earned	80.56	115.80
Outgo of foreign exchange	460.50	360.23

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman

DIN: 00121863

Mumbai, May 3, 2021

## Annexure 6 to Board's Report

# Disclosure of Managerial Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

## A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary are as under:

Name of Director/Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration over previous year
<b>Non-Executive Directors</b>		
Mr. N. Chandrasekaran* (appointed w.e.f. November 24, 2020)	N.A.	N.A.
Ms. Vibha Paul Rishi	7.39:1	(4.54)
Mr. S. Padmanabhan**	N.A.	N.A.
Ms. Padmini Khare Kaicker	7.23:1	(6.88)
Dr. C.V. Natraj	7.03:1	^
Mr. K. B. S. Anand	5.36:1	^
Mr. Rajiv Dube# (appointed w.e.f. September 18, 2020)	-	^
Mr. Bhaskar Bhat (resigned w.e.f. November 24, 2020)	4.99:1	^
<b>Executive Directors</b>		
Mr. R. Mukundan, Managing Director & CEO	98.37:1	(3.75)
Mr. Zarir Langrana	48:1	(2.52)
<b>Key Managerial Personnel</b>		
Mr. John Mulhall, Chief Financial Officer (ceased w.e.f. March 31, 2021)	-	14.62
Mr. Rajiv Chandan, General Counsel & Company Secretary	-	6.42

**Note:** Remuneration includes commission which relates to FY 2020-21 and which will be paid during FY 2021-22

\*As a policy, Mr. N. Chandrasekaran, Chairman of the Board has abstained from receiving commission from the Company

\*\*In line with the internal guidelines, no payment is made towards commission to Mr. S. Padmanabhan, Non-Executive Director of the Company, who is in full-time employment with other Tata company

^Increase in remuneration is not reported as the concerned directors were only for a part of the year under review or previous year

#Mr. Rajiv Dube was appointed during the year and hence the ratio to median remuneration is not reported

- B. Percentage increase in the median remuneration of employees in FY 2020-21:** 6.54%
- C. Number of permanent employees on the rolls of the Company as on March 31, 2021:** 1,699
- D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:**

Particulars	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	6.34
Average increase in remuneration of managerial personnel	(3.35)

## E. Affirmation:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

**N. Chandrasekaran**

Chairman

DIN: 00121863

Mumbai, May 3, 2021

## Annexure 7 to Board's Report

### Form No. MR-3

# Secretarial Audit Report for the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Tata Chemicals Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Chemicals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (vi) Other laws applicable specifically to the Company namely :
  - 1. Food Safety and Standards Act, 2006, rules and regulations thereunder;
  - 2. Legal Metrology Act, 2009 and rules and regulations thereunder;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

- (ii) The Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines etc.

We further report that during the audit period there were no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**  
**Company Secretaries**

**P. N. Parikh**  
**Partner**

**FCS No: 327 CP No: 1228**  
**UDIN: F000327C000226047**

Mumbai, May 3, 2021

*This Report is to be read with our below letter of even date which is annexed as Annexure A and forms an integral part of this report.*

### **'Annexure A'**

To,  
The Members  
**Tata Chemicals Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
**Company Secretaries**

**P. N. Parikh**  
**Partner**

**FCS No: 327 CP No: 1228**  
**UDIN: F000327C000226047**

Mumbai, May 3, 2021