

# Board's Report

## TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their Eighty-Third (83<sup>rd</sup>) Annual Report on the performance of Tata Chemicals Limited ('the Company') together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2022.

### 1. Financial Results

₹ in crore

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from continuing operations</b>	<b>3,721</b>	<b>2,999</b>	<b>12,622</b>	<b>10,200</b>
<b>Profit before depreciation and finance costs</b>	<b>1,229</b>	<b>830</b>	<b>2,550</b>	<b>1,735</b>
Depreciation and amortisation expense	222	197	806	760
<b>Profit before finance costs</b>	<b>1,007</b>	<b>633</b>	<b>1,744</b>	<b>975</b>
Finance costs	19	19	303	367
<b>Profit before share of profit of joint ventures and tax</b>	<b>988</b>	<b>614</b>	<b>1,441</b>	<b>608</b>
Share of profit of joint ventures	-	-	226	26
<b>Profit before tax</b>	<b>988</b>	<b>614</b>	<b>1,667</b>	<b>634</b>
Tax expense	201	135	267	198
<b>Profit from continuing operations after tax</b>	<b>787</b>	<b>479</b>	<b>1,400</b>	<b>436</b>
<b>Profit from discontinued operations after tax</b>	<b>15</b>	<b>-</b>	<b>5</b>	<b>-</b>
<b>Profit for the year</b>	<b>802</b>	<b>479</b>	<b>1,405</b>	<b>436</b>
Attributable to:				
- Equity shareholders of the Company	802	479	1,258	256
- Non-controlling interests	-	-	147	180
Other comprehensive income ('OCI')	1,538	1,081	2,960	1,417
<b>Total comprehensive income</b>	<b>2,340</b>	<b>1,560</b>	<b>4,365</b>	<b>1,853</b>
<b>Balance in retained earnings at the beginning of the year</b>	<b>6,078</b>	<b>5,860</b>	<b>6,254</b>	<b>6,186</b>
Profit for the year (attributable to equity shareholders of the Company)	802	479	1,258	256
Remeasurement of defined employee benefit plans (net of tax)	17	21	359	93
Dividends including tax on dividend*	(255)	(280)	(255)	(280)
Others	-	(2)	-	(1)
<b>Balance in retained earnings at the end of the year</b>	<b>6,642</b>	<b>6,078</b>	<b>7,616</b>	<b>6,254</b>

\*Dividend declared in the previous year and paid during the respective reporting year

## 2. Dividend

For FY 2021-22, the Board of Directors has recommended a dividend of ₹ 12.50 per share i.e. 125% (previous year ₹ 10 per share i.e. 100%) on the Ordinary Shares of the Company. If declared at the ensuing Annual General Meeting ('AGM'), the total dividend outgo during FY 2022-23 would amount to ₹ 318 crore (previous year ₹ 255 crore).

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

### 3.1 Consolidated:

On a consolidated basis, the revenue from operations increased to ₹ 12,622 crore in FY 2021-22 from ₹ 10,200 crore in FY 2020-21. The increase was mainly on account of higher soda ash volumes i.e. 3.7 million tonne in FY 2021-22 against 3.0 million tonne in FY 2020-21. The soda ash realisations too remained robust and were higher than previous year's levels. The profit before tax from continuing operations increased to ₹ 1,667 crore in FY 2021-22 from ₹ 634 crore in FY 2020-21, up 163%.

### 3.2 Standalone:

On a standalone basis, the revenue from operations increased to ₹ 3,721 crore for FY 2021-22 from ₹ 2,999 crore in FY 2020-21. The increase was mainly on account of higher soda ash volumes i.e. 0.68 million tonne in FY 2021-22 against 0.62 million tonne in FY 2020-21. Profit before tax from continuing operations stood at ₹ 988 crore in FY 2021-22 against ₹ 614 crore in FY 2020-21, up 61%.

For more details on the Consolidated and Standalone performance, please refer to Management Discussion & Analysis.

## 4. Management Discussion & Analysis

The Management Discussion & 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.

Basic Chemistry segment comprises inorganic chemicals led by Soda Ash, Salt and Sodium Bicarbonate. Scale, supply chain efficiencies and customer relationships drive this business. This segment has manufacturing operations spread across four continents viz. North America (USA),

Europe (UK), Africa (Kenya) and Asia (India). These inorganic chemicals primarily service industries such as Glass (Automotive, Architectural & Container), Detergent, Food, Pharma, Animal Feed and Industrial Chemicals.

Specialty Products portfolio is driven by Chemistry-led differentiation. The Company has three key products in this segment comprising Specialty Silica, Prebiotics and Agri inputs. Specialty Silica range serves Food, Rubber and Tyre industry. Prebiotics and Formulations are targeted at Food, Animal Feed and Pharmaceutical applications. Rallis India Limited, a listed subsidiary of the Company, produces and markets range of Agri inputs including Seeds for Indian and overseas farmers.

The Company is increasing its focus on Green Chemistry with Sustainability as a key driver of value. Basic Chemistry will scale further by adding capacities of the core products and leveraging cost competitiveness. The growth in Soda Ash demand is also driven by Solar Glass (used in Solar Electricity generation) and Lithium Carbonate. The Specialty Products will focus on maximising value with a sustainable portfolio, low carbon footprint Specialty Silica and Prebiotics based on fermentation platform.

### 5.1 Basic Chemistry Products

#### Standalone (India)

For FY 2021-22, the revenues from the Basic Chemistry Products business stood at ₹ 3,475 crore, higher by 22%.

#### Soda Ash

The year started with the second wave of COVID-19 which suppressed the demand and prices in the first quarter. However, demand improved to pre-COVID levels by the end of first half of the year. Subsequently, as the impact of COVID-19 subsided and the economy started opening up with easing of restrictions, a gradual increase in demand was visible. Imports were significantly lower due to global tightening of supplies and supply chain disruptions. This period also witnessed significant cost increases due to rising energy, freight and raw salt costs. Realisations improved which helped the Company absorb these cost pressures. The skew in demand versus supplies has spilled over to FY 2022-23 as supply chain disruptions continue.

Sales of soda ash for FY 2021-22 stood at 6,78,130 metric tonne ('MT'), an increase of 9% over the previous year.

#### Sodium Bicarbonate

Sales of sodium bicarbonate stood at 1,20,186 MT and witnessed a solid growth of 19% over the previous year.

The Company markets four value-added grades of Bicarb – Medikarb (pharma grade), Sodakarb (food grade), Alkakarb (feed grade) and Speckarb (industrial grade).

### Salt

The demand for salt was higher from the Company's key customer, Tata Consumer Products Limited, during the year and the production was increased appropriately to meet the increased requirement even amid the pandemic. The Company recorded highest ever production of salt at 12.61 lakh MT during FY 2021-22. In addition, a project is under implementation to increase the salt manufacturing capacity to meet the projected demand increase.

### Other Products

Sale of cement stood at 4.37 lakh MT, an improvement of 11% in FY 2021-22. Cement realisations and margins remained healthy and Bromine production was impacted due to bittern dilution.

### Subsidiaries

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

During FY 2021-22, overall sales volumes were up by 26%, a record for TCNA, which was driven by an increase in volumes in the export markets.

TCNA posted a revenue of US\$ 495 million (₹ 3,688 crore) for FY 2021-22 compared to US\$ 388 million (₹ 2,878 crore) in the previous year, registering a growth of 28%. For FY 2021-22, EBITDA at TCNA was US\$ 106.2 million (₹ 791 crore) against US\$ 48.1 million (₹ 357 crore) in FY 2020-21.

This sharp increase in volumes led to TCNA posting a profit after tax and non-controlling interest of US\$ 49.9 million (₹ 372 crore) during FY 2021-22 compared to a loss of US\$ 12.8 million (₹ 95 crore) in FY 2020-21.

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

TCE Group Limited's business consists of soda ash, sodium bicarbonate and energy units and British Salt Limited which manufactures and sells food and industrial grade white salt. Together they are referred as 'UK Operations' of the Company in this Report.

The turnover from the UK Operations for FY 2021-22 was £ 191.5 million (₹ 1,949 crore) against £ 145.2 million (₹ 1,409 crore) in the previous year registering a growth of 38%.

Soda ash sales volumes were strong during the year with consistent demand witnessed throughout the year. Sales of sodium bicarbonate were consistent although slightly down

over FY 2020-21. The UK Operations maintained its core UK market share and robust export demand into Europe and rest of the world including navigating into the post-Brexit period from January 2021.

The combined heat and power (CHP) facility at Winnington performed well throughout the year.

In the Salt business, sales volumes were better than those recorded in FY 2020-21 amid rising energy costs and price increases in the market reflecting the same.

EBITDA for FY 2021-22 for the UK Operations was £ 12.2 million (₹ 124 crore) against £ 14.2 million (₹ 138 crore) and the loss after tax was £ 8.4 million (₹ 85 crore) against the loss of £ 5.8 million (₹ 56 crore) in the previous year.

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

During FY 2021-22, sales volumes were higher by 37% over FY 2020-21. TCML achieved a revenue of US\$ 77.6 million (₹ 577 crore) for FY 2021-22 as against revenue of US\$ 55.4 million (₹ 413 crore) in the previous year, an increase of 40%. For FY 2021-22, TCML registered an EBITDA of US\$ 20.1 million (₹ 150 crore) against the EBITDA of US\$ 9.6 million (₹ 71 crore) in the previous year, higher by 108%. The increase in EBITDA was due to better realisations and cost control.

TCML recorded a net profit of US\$ 12.7 million (₹ 94 crore) in FY 2021-22 against a net profit of US\$ 2.8 million (₹ 20 crore) in FY 2020-21.

The county government had issued a demand during FY 2018-19 for an arbitrary increase in land rates which was struck down subsequently by the 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

#### Silica

The Company manufactures Specialty Silica products and sells to tyre and food industries. Silica is a versatile material with varied applications. With focus on green products and regulatory matters, its use in the tyre industry is expected to accelerate. During FY 2021-22, capacity utilisation improved with increasing approvals from leading tyre companies in India. As a mark of recognition, the Company was awarded the 'Best Supplier in Innovation category for HDS Silica' by a leading tyre company.

The Company's products are well accepted in new segments of Silicone rubber applications and Battery separator segments.

#### Prebiotics & Formulations

The state-of-the-art manufacturing facility using fermentation technology of the Company is located in Mambattu, Nellore District, Andhra Pradesh and has successfully stabilised its operations. There have been various optimisation projects which have been implemented with all key certifications, like Food Safety System Certification - FSSC 22000 and FDA registration coupled with qualification from Key Global customers, which will enable the Company to increase volumes and reach 100% capacity utilisation in the coming year.

#### Subsidiary

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

Rallis is the Company's listed subsidiary focussed on specialty products for the farm and agricultural sector consisting mainly of Crop Care and Seeds business. Rallis achieved a consolidated revenue from operations of ₹ 2,602 crore in FY 2021-22 compared to ₹ 2,424 crore in FY 2020-21, an increase of 7%. The profit after tax stood at ₹ 164 crore, down by 28% against a profit after tax of ₹ 229 crore in FY 2020-21.

During FY 2021-22, the Domestic business of Rallis achieved a revenue of ₹ 1,468 crore as against ₹ 1,287 crore in FY 2020-21, an increase of 14% on account of robust farm demand. Key crops which have shown major growth are Paddy, Cotton, Sugarcane, Soybean, Pulses, Chilli, Tea, Tomato and Grapes.

The International business of Rallis grew by 6% to ₹ 787 crore in FY 2021-22 from ₹ 741 crore in FY 2020-21. The International business gained 17 new registrations in the overseas market through strategic and partnership model. This model has helped Rallis register a healthy growth during the year under review and has also built the road for achieving the revenue in line with its long-term strategic planning.

Revenue of Seeds division of Rallis decreased by 13% over the previous year to ₹ 349 crore during the year under review mainly due to reduction in hybrid crop acres in Paddy and Millet and reduced availability of flagship hybrids in the Maize category. Changing weather and climate patterns impacted hybrid seed production and higher commodity prices led to increased cost of seed procurement, creating pressure on gross margins.

## 6. Responding to unprecedented challenges with resilience

As the global economy and society at large were gradually and steadily recovering from the after effects of the COVID-19 pandemic in FY 2021-22, the Russia-Ukraine crisis and supply chain disruptions created inflation headwinds.

Throughout the pandemic, the Company practiced 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 regularly adhered to various guidelines and advisories issued by the authorities from time to time including maintaining social distancing at all its plant operations.

The Company's UK business was impacted towards the end of FY 2021-22 due to the Russia-Ukraine crisis. The impact was high on the natural gas prices that substantially went up. The Company took timely measures of hedging mechanism.

## 7. Finance and Credit Ratings

During the year under review, while the focus continued on the liquidity, cash flows and working capital, intensified efforts were made towards: a) bringing down interest costs at overseas subsidiaries through a series of refinancing and loan re-pricing exercises; and b) improving the yield on cash surplus investments amid a low interest rates scenario through broadening the spectrum of investment avenues without compromising with safety and liquidity.

The overseas subsidiaries of the Company undertook a re-pricing exercise for US\$ 275 million facility in TCNA, USA refinancing exercises of US\$ 100 million in Valley Holdings Inc., USA, US\$ 45.5 million in Homefield Pvt UK Limited and US\$ 46 million in TCML, Kenya. The interest rates have been negotiated at rates lower than the erstwhile levels.

During FY 2021-22, Rallis, a subsidiary and IMACID, a joint venture, paid dividends of ₹ 29 crore (FY 2020-21: ₹ 24 crore) and ₹ 28 crore (FY 2020-21: ₹ 26 crore) respectively to the Company. Valley Holdings Inc., the Company's step-down overseas subsidiary, which holds investments in the US operations, paid dividends aggregating to US\$ 21.1 million (₹ 157 crore) [FY 2020-21: US\$ 20.9 million (₹ 155 crore)]. Another overseas subsidiary of the Company, Tata Chemicals South Africa (Pty) Limited paid a dividend of South African Rand 30 million (₹ 15 crore) [FY 2020-21: Nil].

Despite global disruptions due to COVID-19 pandemic, the Company's credit ratings were reaffirmed during the year under review. The Company as on March 31, 2022 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 ₹ 1,300 crore and short term bank facilities (non-fund based limits) of ₹ 2,000 crore are rated at CARE AA+ (Outlook: Stable) and CARE A1+ respectively, by CARE Ratings and
- Commercial Paper of ₹ 100 crore is rated at CRISIL A1+ by CRISIL Ratings

## 8. 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 which endeavours for fairness, consistency and sustainability while distributing profits to the shareholders. The same is available on the Company's website at <https://www.tatachemicals.com/DividendDistPolicy.htm>.

## 9. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2021-22 in the retained earnings.

## 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, 2022.

## 11. Business Responsibility & Sustainability Report

The Company endeavours to cater to the needs of the communities it operates in thereby creating maximum value for the society along with conducting its business in a way that creates a positive impact and enhances stakeholder value. As per Regulation 34(2)(f) of the SEBI Listing Regulations and in line with the SEBI Circulars dated May 5, 2021 and May 10, 2021, though voluntary for FY 2021-22, the Company has, as a matter of good governance, adopted the Business Responsibility & Sustainability Report ('BRSR') disclosing initiatives by the Company taken from an environmental, social and governance perspective. The BRSR forms part of this Integrated Annual Report.

## 12. Related Party Transactions

In line with the requirements of the Companies Act, 2013 ('the Act') and SEBI Listing Regulations, as amended from time to time, the Company has formulated a Policy on Related Party Transactions ('RPT Policy') for identifying, reviewing, approving and monitoring of Related Party Transactions. The RPT Policy was revised pursuant to the amendment to the SEBI Listing Regulations and the same is available on the Company's website at <https://www.tatachemicals.com/RPTPolicy.htm>.

All related party transactions entered into during FY 2021-22 were on arm's length basis and in the ordinary course of business and were reviewed and approved by the Audit Committee. With a view to ensure continuity of day-to-day operations, an 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 the 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 as part of the internal audit by an independent external firm on a half-yearly basis.

The Company did not enter into any contracts or arrangements with related parties in terms of Section 188(1) and no material related party transactions were entered into by the Company during the year under review. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form No. AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this Integrated Annual Report.

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the format specified in the relevant accounting standards to the stock exchanges 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, which is approved by the Risk Management Committee of the Board ('RMC') and the Board of Directors, 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.

During the year under review, the ERM Policy and Terms of Reference of the RMC were revised in line with the SEBI Listing Regulations to, *inter-alia*, set up strategic policies including focus on ESG related risks, risks revolving around cyber security and defining the role and responsibilities of the RMC.

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 Risk Management Group (Senior Leadership Team) as well as the 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. Further, the Chairman of the RMC briefs the Board at its Meetings about the significant discussions at each of the RMC Meetings. This robust governance structure has also helped in the integration of the ERM with the Company's Strategic Planning Process where emerging risks are used as inputs in such process. Identified risks are used as one of the key inputs in the strategy and business plans.

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 Committees and the RMC. The RMC meets periodically to review all the key risks and assess the status of mitigation measures.

Considering the volatility, uncertainties and unprecedented challenges involved in the businesses, the risk management function has gained more importance over the last few years and it is imperative to manage and address such challenges effectively. With a view to have a focussed approach in doing so, the Company has appointed a Chief Risk Officer effective April 1, 2022, to oversee the Risk Management function of the Company.

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 & 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 ('TCSRSD') in partnership with the Tata Trusts and with various government and non-government institutions. The Company's CSR programme framework focusses on building economic capital, ensuring environmental integrity, enablers for social, economic and environmental development and building social capital.

**Building economic capital:** The Company focusses on poverty alleviation and creating livelihoods, 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.

**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 camps.

The education programme focusses on students starting from primary to the post-graduation level. Educational support is provided for 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 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.

During the COVID-19 pandemic, the Company proactively supported the communities and the Government. The Company also endeavours to respond to disasters that affect any part of India and in the neighbourhood of all its manufacturing plants.

In line with the amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company revised its CSR Policy and Charter of the CSR Committee during the year. The revised CSR Policy, *inter alia*, includes changes in definitions, CSR expenditure, treatment of surplus and setting off of excess spent, guiding principles for selection, implementation and monitoring of activities and approach, direction and annual action plan of the Board and CSR Committee of the Company. The CSR Policy is available on the website of the Company at <https://www.tatachemicals.com/CSRPoly2021.htm>.

The Annual Report on CSR activities for FY 2021-22 is enclosed as **Annexure 1** 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 ('the Policy') of the Company 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 third-party 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 Ethics helpline services include toll free number, web access, postal services and email facilities.

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

## 16. Prevention of Sexual Harassment

Pursuant to 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.

The Policy is uploaded on the website of the Company at <http://www.tatachemicals.com/POSHPolicy.htm>.

No complaints were pending at the beginning of the financial year. During the year under review, one concern was reported which was 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 of new employees and also periodically for permanent employees, third-party employees and contract workmen through online modules and webinars.

## 17. Particulars of Loans, Guarantees and Investments

The Company has not given any loans during the year under review. The Company has made investments of ₹ 18 crore and ₹ 115 crore in equity shares through rights issue of The Indian Hotels Company Limited and Tata Projects Limited, respectively.

During the year under review, the Company has provided additional corporate guarantee of ₹ 14.4 million (₹ 147 crore) to Tata Chemicals Europe Limited, a subsidiary 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 2021-22 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 form 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, Joint Ventures and Associate

As on March 31, 2022, the Company had 28 (direct and indirect) Subsidiaries (2 in India and 26 overseas), 3 Joint Ventures ('JV') and 1 Associate. There has been no material change in the nature of the business of the subsidiaries.

The changes pertaining to Subsidiaries, JVs and Associate during the year are as under:

- Following wholly-owned step-down subsidiaries of the Company which were dormant in nature have dissolved and accordingly ceased to be subsidiaries with effect from the dates given below:
  - NHO Canada Holdings Inc. effective August 30, 2021
  - General Chemical International, Inc. effective August 30, 2021
  - Irish Feeds Limited effective September 14, 2021
  - TCNA (UK) Limited effective November 30, 2021
- PT Metahelix Lifesciences Indonesia, a subsidiary of Rallis, received approval for the cancellation of its Tax Identification Number on March 23, 2022 and accordingly ceased to be a subsidiary of the Company with effect from such date.
- The name of Tata Chemicals Africa Holdings Limited, subsidiary of the Company was changed to TC Africa Holdings Limited effective October 11, 2021.
- Tata Chemicals International Pte. Ltd.'s ('TCIPL', subsidiary of the Company) holding in JOil (S) Pte. Ltd., JV reduced from 33.78% to 17.07% and consequently JOil has been classified as an associate of TCIPL and that of the Company with effect from September 21, 2021.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company's Policy on determining material subsidiaries was amended during the year and the same is uploaded on the Company's website at <https://www.tatachemicals.com/policy-on-determining-material-subsiidiaries.pdf>.

A report on the financial position of each of the subsidiaries, joint ventures and associate as per Section 129(3) of the Act is provided in Form No. AOC-1 enclosed to the Financial Statements.

## 20. 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 systems 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 & Analysis which forms part of this Integrated Annual Report.

## 21. 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 2021-22.

Accordingly, pursuant to Sections 134(3)(c) and 134(5) of the Act, the Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2022:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- 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.

## 22. 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.

At Tata Chemicals, human rights is also an integral aspect of doing business and the Company is committed to respect and protect human rights to remediate adverse human rights impacts that may be resulting from or caused by the Company's businesses. In furtherance to this, the Company has adopted the 'Tata Business and Human Rights Policy' which aligns with the principles contained in the Universal Declaration of Human Rights, International Labour Organisations (ILO), Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights and is consistent with the Tata Code of Conduct.

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

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 Secretarial Auditor's Certificate form part of this Integrated Annual Report.

## 23. Directors and Key Managerial Personnel

### Directors

#### Appointment

At the 82<sup>nd</sup> AGM of the Company held on July 2, 2021, the Members of the Company appointed Mr. Rajiv Dube as an Independent Director for a term of five (5) consecutive years and Mr. N. Chandrasekaran as a Non-Executive, Non-Independent Director of the Company.

#### Re-appointment

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

### 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.

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

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.

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.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

### Key Managerial Personnel ('KMP')

Pursuant to the recommendation of the Nomination & Remuneration Committee ('NRC') 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
- 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 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 Director have also reviewed the list of core skills, expertise and competencies which were mapped against them. 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 of Rallis India Limited (Crop Care and Seeds). 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 2** 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.

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.

## 24. 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 3** forming part of this Report.

## 25. 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 4** forming part of this Report.

## 26. 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 5** 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).

## 27. Auditors

### I. Statutory Auditors

At the 78<sup>th</sup> AGM held on August 9, 2017, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) ['B S R & Co.'] were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years by the Members.

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.

Further, in terms of Sections 139 and 142 of the Act, the Board of Directors has, on the recommendation of the Audit Committee, recommended the re-appointment of B S R & Co. as the Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of the 83<sup>rd</sup> AGM till the conclusion of 88<sup>th</sup> AGM for the approval of the Members. Accordingly, an ordinary resolution seeking Members' approval for the same forms part of the Notice of the 83<sup>rd</sup> AGM forming part of this Integrated Annual Report.

The Company has received a written consent and eligibility certificate from B S R & Co., confirming that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

### 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) ['D. C. Dave & Co.'] as the Cost Auditors of the Company for FY 2022-23.

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 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 seeking Members' ratification for the remuneration payable to D. C. Dave & Co., forms part of the Notice of the 83<sup>rd</sup> AGM forming part of this Integrated Annual Report.

### III. Secretarial Auditors

In terms of Section 204 of the Act and Rules made thereunder, Parikh & Associates, Practicing Company Secretaries (Firm Registration No. P1988MH009800) have been appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2022-23. The report of the Secretarial Auditors for FY 2021-22 is enclosed as **Annexure 6** forming part of this Report.

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

### 28. 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 need to be mentioned in this Report.

### 29. General Disclosures

#### I. Details of Board Meetings

During the year under review, seven (7) 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, ten (10) 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 three (3) Members out of which one (1) is an Independent Director. During the year under review, four (4) Meetings of the CSR Committee 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 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.

### 30. Other disclosures:

- (a) 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.
- (b) In 2020, Allied Silica Limited (ASL) has filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') against the Company and the same is pending before the National Company Law Tribunal, Mumbai Bench as at the end of the year. The Company has contested the proceedings among other things, on the grounds that no operational debt is due and payable, the alleged debt is not an operational debt, the party is not an operational creditor under the IBC and that there is pre-existence of disputes between the parties.
- (c) There has been no change in the nature of business of the Company as on the date of this Report.
- (d) There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

### 31. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 as on March 31, 2022 is available on the Company's website at <https://www.tatachemicals.com/MGT72022.pdf>.

### 32. Acknowledgements

The Directors appreciate and value the unstinted support and the contribution made by every employee of the Company including all the workmen at the manufacturing plants in these challenging times.

The Directors acknowledge the support extended by the Company's Unions and would also like to thank the financial institutions, banks, government authorities, customers, vendors and other stakeholders for their continued support and co-operation.

**On behalf of the Board of Directors**

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

Mumbai, April 29, 2022

## Annexure 1 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, and its objectives are aligned to United Nations Sustainable Development Goals (UN SDGs), 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, as amended, which is available on the Company's website at <https://www.tatachemicals.com/CSRPoly2021.htm>.

## 2. Composition of CSR Committee as on March 31, 2022:

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	4	4
2.	Dr. C. V. Natraj	Independent Director	4	4
3.	Mr. R. Mukundan	Managing Director & CEO	4	4

## 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):

The Company will conduct impact assessment of the eligible projects upon their completion in terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The Company has been conducting impact assessments voluntarily to monitor and evaluate its strategic CSR programmes from time to time. During FY 2021-22, the Company has undertaken an Impact Assessment study of five (5) of its Community Development projects - Agriculture Development & Livestock Management, Skill Development Program, Jal Dhan, Swach Tarang (safe drinking water) and Inclusive Growth – Women Empowerment and Affirmative Actions. The study has been conducted by an independent external agency viz. Sattva. The study not only details the impact and the benefits accrued by the community, it also proposes some recommendations. 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 ₹ crore)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2021-22	2.41	NIL

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

₹ 675.61 crore for the preceding three financial years



7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 13.51 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: NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 13.51 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
15.88	NIL	N.A.	N.A.	NIL	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	0.86	0.98	NIL	No		
2.	Handicrafts & Cluster Development	V	Yes	Gujarat	Devbhumi Dwarka	3	1.55	1.97	NIL	No		
3.	Skill Development	II	Yes	Gujarat	Mithapur	3	1.85	2.12	NIL	Yes*		
				Maharashtra	Mumbai Pune							
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
				Uttar Pradesh	Aligarh							
4.	Natural Resource Management & Environment Conservation	IV	Yes	Gujarat	Mithapur	3	0.96	0.96	NIL	No		
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
5.	Health Care, Nutrition, Safe drinking water & Sanitation	I	Yes	Gujarat	Mithapur	3	1.58	1.58	NIL	No		
				Madhya Pradesh	Barwani							
				Maharashtra	Amravati							
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
6.	Education	II	Yes	Gujarat	Mithapur	3	0.95	0.99	NIL	No		
				Maharashtra	Mumbai							
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
7.	Inclusive Growth	III	Yes	Gujarat	Mithapur	3	1.00	1.47	NIL	No		
				Andhra Pradesh	Mambattu							
				Tamil Nadu	Cuddalore							
				Maharashtra	Mumbai							
Total							8.75	10.07				

\* 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	Mithapur	0.21	No	Tata Chemicals	CSR00002564
2.	COVID-19 Relief	I	Yes	Gujarat	Mithapur	3.03	Yes*	Society for Rural Development (TCSR)	
				Tamil Nadu	Cuddalore				
				Andhra Pradesh	Mambattu				
3.	Infrastructure Programme	II	Yes	Gujarat	Mithapur	1.80	No		
<b>Total</b>						<b>5.04</b>			

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

## (d) Amount spent in Administrative Overheads: ₹ 0.59 crore

## (e) Amount spent on Impact Assessment: ₹ 0.18 crore

## (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 15.88 crore

## (g) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	13.51
(ii)	Total amount spent for the financial year	15.88
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.37
(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)]	2.37

## 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:** ₹ 7,56,774
- (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):**

Assets Description	Date of Creation	Amount (₹)	Address
Infrastructure for training centre:			
a) Colour Printer	March 14, 2022	11,250	TCSR, Near Town Office, TCL Township, Mithapur – 361345
b) Computer / Laptop	December 17, 2021	7,45,524	
<b>Total</b>		<b>7,56,774</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

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

Mumbai, April 29, 2022

Mumbai, April 29, 2022

## Annexure 2 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, April 29, 2022

<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 3 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:

- (a) The services rendered are of a professional nature; and
- (b) 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, April 29, 2022

<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 4 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 2021-22:

#### In Soda Ash Plant at Mithapur:

- Increased throughput and reduction of steam consumption at Monohydrate plant
- Ingersol Rand compressor replacement with GHG GmbH, along with turbine and gear box

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

- Reconfiguration from double effect to quadruple effect evaporation at units 1/2 at MUW 3
- Reduction in 50 psig (pound per square inch) steam consumption at MUW 4 by automating the draw and optimisation of anti-scalant dosing

#### In the Cement Plant at Mithapur:

- Reduction of the Clinker factor of Ordinary Portland Cement (OPC) and Masonry Cement
- Consumed alternate fuels: shredded plastics, spent resin, spent oil, spent grease, Toluene Di-isocyanate (TDI) Tar
- Improved Cement Mill throughput by 5% to 8% by use of grinding aid
- Launched OPC superior with 5% performance improver leading to conservation of natural resources

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

- Improvement of heat recovery and transfer process in the power plant to reduce heat losses
- Major overhauling of 3 topper turbines

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

- New capital projects being undertaken with energy efficient motors, energy efficient lighting and high efficiency distribution transformers
- Replacement of 2 transformers with higher energy efficiency

#### In the Plant at Mambattu:

- Pressure Reduction Turbine (PRT) (4 Tonne Per Hour 160 KW); PRT installed in place of Pressure Reducing Valve (PRV - 4 TPH) generated 2,85,000 units
- Reduction of maximum demand from 3,000 KVA to 2,400 KVA
- Astronomical timers were installed for all utility area lighting which work based on the variations in the sunset and sunrise times throughout the year

#### In the Silica Plant at Cuddalore:

- Reduction of sodium silicate specific consumption by undertaking LSS projects to reduce spillages, arrangement of filter deck plates and undertaking improvement project for achieving the right quality in the first instance
- Reduction of coal specific consumption by doing insulation in various areas thereby leading to reduction in radiation loss; installation of steam trap; pre heating the feed water from blowdown flash steam; reusing brick block fixing and replacement of bellow to reduce the heat losses and replacement of walt tube
- Establishing Standard Operating Procedure to optimise coal reduction; installation of canopy in spray dryer section to reduce the specific consumption of coal. Also achieved increase in the plant capacity utilisation from 50% in FY 2020-21 to 66% in FY 2021-22 which reduced the stop losses
- Reduction of water specific consumption in mechanical seal recirculation system and reusing wash water to filter process washing
- Reduction in specific power consumption:
  - Variable drive for food grade recirculation, mechanical seal, filter press charging, hot air generator coal convey fan, boiler FA fan, boiler feed pump, Compressor-2, water treatment plant, wash water pumps, process water pumps, effluent treatment disposal pump

- II. Harmonic filters installed power house and hot air generator (CFHAG) detune filters
- III. Auto power factor controller panel detune filter
- IV. 160 KVA uninterrupted power supply
- Ongoing projects include:
  - I. CFHAG bio fuel trial completed and continuous feeding will start after feeding system upgradation
  - II. Solar project roof top is in the commercial ordering stage
  - III. Rainwater harvested water reused to garden as well as in utilities
  - IV. Replacement of existing filter plates with new designs to reduce the water consumption
  - V. SOP for filter press operator to reduce the wash water consumption
  - VI. Water inlet from bottom and outlet from top changed on the filter press to reduce the water consumption
  - VII. Exploring the utilisation of sulfuric acid for which a detailed investigation is underway to obtain high quality acid for our utilisation

- Jet cleaning system in filter press to reduce the water consumption

#### At the Innovation Centre, Pune:

- Installed 100 KW rooftop solar power panels. Currently, the energy production stands at 450 Kwh/day and contributes to 20% of the total energy consumption. This installation correlates to 3,000 tonnes of carbon emission abatement which could benefit around 5,000 trees planted per annum
- Having begun in January 2022, 31 tonnes of CO<sub>2</sub> reduction is achieved through electricity saving due to planned shutdown (18.8 tonnes) and solar system (12.2 tonnes)

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

- Consumed alternate fuels: shredded plastics, spent resin, spent oil, spent grease, TDI Tar at Mithapur
- Solar rooftop energy project is in final stage of commercial discussion and is expected to be completed in FY 2022-23

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

		₹ in crore
Sr. No.	Project description	Capex Cost
<b>In the Soda Ash Plant at Mithapur:</b>		
1.	Turbine Compressor set 7 overhauling and compressor rotor refurbishment	0.98
2.	Dresser Rand make Turbine spares for CO <sub>2</sub> compressor and steam turbine rotor refurbishment	0.01
3.	IR compressor replacement with GHG along with turbine & gear box	35.55
4.	Topper Turbine 9 overhauling	0.01
5.	CEHP-1 BB tube, Air Pre-health replacement and eco top casing replacement	0.02
6.	MUW 3 : Unit 1/2 – Reconfiguration to quadruple effect	0.35
<b>In the Silica Plant at Cuddalore:</b>		
7.	VFD for FG Recirculation pump to avoid the kick load	0.07
8.	VFD for ETP Outlet pump to avoid the kick load	0.07
9.	VFD Panel modification work to reduce the failure rate	0.05
10.	Deck plate, scrapper	0.25
11.	CFHAG efficiency improvement - Measure, diagnose, solve and implement solution	0.50
12.	Mechanical Seal Water recirculation system	0.03
13.	160 KVA Uninterrupted Power Supply Installation	0.38
14.	Installation of Harmonic Filter	0.30
<b>Total</b>		<b>38.57</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
- Flash dryer technology for refined sodium bicarbonate project
- De-carbonation design for refined sodium bicarbonate project

#### At Mambattu:

- Installed pilot facility to produce 1,500 MT/year Inulin based on in-house developed technology at IC and commercial trials conducted. Further process optimisation is under progress
- Installed solar dryer to dry hazardous waste generated from effluent treatment plant, trials are in progress

#### At Cuddalore:

- Installed harmonic filter

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

- Reduction in effluents, reduction in cost and increase in energy efficiency
- Successfully developed Tyre grade silanes that helps silica better bond with tyre rubber for fitment in a fuel-efficient vehicle. It helps in reduction of CO<sub>2</sub> generation from automobiles
- Highly Dispersible Silica (HDS) developed from green source Rice Husk Ash (RHA). RHA otherwise is an agro waste, mostly thrown as landfill
- Bio-based surfactants are being developed from plant-based non-edible oil for detergents applications, replacing synthetic surfactants currently obtained from fossil sources
- Focus on new sustainable chemistries in the space of Bio-based surfactants, CO<sub>2</sub> to value-added performance materials and value-added bicarbonate & soda ash are under development

- Textile grade nZnO for use in facemasks and PPE in COVID owing to inherent antiviral and antibacterial properties
- Development of Inulin manufacturing technology (long chain oligosaccharides) to enhance prebiotic product portfolio targeting newer applications and customer base
- Human clinical trial test conducted to test the efficacy and synergistically acting symbiotic for immunity markers
- Development of science-based formulation for Animal Nutrition to increase the milk yield and overall performance
- Reduced carbon consumption in fructooligosaccharides ('FOS') manufacturing process from 0.3% to 0.2% w/w which resulted in saving of ₹ 34 lakh/year
- Installed dosing pumps for addition of chemicals for ETP operations to optimise the consumption of chemicals which resulted savings of ₹ 5.3 lakh/year
- Developed process for reduction of cycle time of FOS L55 evaporation from 36 hours to 24 hours which has resulted L55 throughput increase by 30%
- Modified pasteurisation system to meet microbial specification in final product
- Modified loading and unloading area to control the pest entry inside the warehouse to improve hygiene in the plant
- Installed inline metal detection system in powder packing line and integrated with online rejection system to eliminate metal particles in the powder
- Pearl silica project, the new upgraded (Gen-2 silica) product for tyre industry is started and is expected to be commissioned in FY 2022-23
- Cost savings of ₹ 16.7 lakh during the year due to installation of Pressure Reduction Turbine in place of Pressure Reducing Valve at Mambattu
- Cost saving of ₹ 34.2 lakh during the year due to reduction of maximum demand from 3,000 KVA to 2,400 KVA at Mambattu

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

(a) The details of technology imported	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)	Steam jet refrigeration unit from GEA (Mithapur)
(b) The year of import	2018-19	2019-20	2019-20	2020-21	2021-22
(c) Whether the technology has been fully absorbed	Yes	Yes	No	Yes	Yes
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	N.A.	N.A.	Achieved 83% of design capacity. The reason for not fully absorbing the technology is travel restriction of vendor due to COVID-19 crisis	N.A.	N.A.

\*SSMB - Sequential Simulated Moving Bed

\*TKIS - ThyssenKrupp Industrial Solutions

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

₹ in crore		
Particulars	2021-22	2020-21
Capital expenditure	7.83	5.36
Revenue expenditure	23.52	22.88
<b>Total R&amp;D expenditure</b>	<b>31.35</b>	<b>28.24</b>
<b>Total R&amp;D expenditure as a percentage of revenue from operations</b>	<b>0.84%</b>	<b>0.94%</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	2021-22	2020-21
Foreign exchange earned	74.89	80.56
Outgo of foreign exchange	1,121.15	460.50

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman

DIN: 00121863

Mumbai, April 29, 2022



## Annexure 5 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 2021-22 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*	N.A.	N.A.
Ms. Vibha Paul Rishi	9.23:1	16.94
Mr. S. Padmanabhan**	N.A.	N.A.
Ms. Padmini Khare Kaicker	9.11:1	17.93
Dr. C. V. Natraj	8.93:1	18.87
Mr. K. B. S. Anand	7.51:1	31.34
Mr. Rajiv Dube	6.96:1	96.77
<b>Executive Directors</b>		
Mr. R. Mukundan, Managing Director & CEO	115.11:1	9.55
Mr. Zarir Langrana	56.66:1	10.52
<b>Key Managerial Personnel</b>		
Mr. Nandakumar S. Tirumalai, Chief Financial Officer (appointed w.e.f. April 1, 2021)	-	N.A.
Mr. Rajiv Chandan, General Counsel & Company Secretary	-	6.21

**Note:** Remuneration includes commission which relates to FY 2021-22 and which will be paid during FY 2022-23

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

\*\*In line with the internal guidelines of the Company, 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

- B. Percentage increase in the median remuneration of employees in FY 2021-22:** (6.43)%
- C. Number of permanent employees on the rolls of the Company as on March 31, 2022:** 1,679
- 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)	8.60
Average increase in remuneration of managerial personnel	9.87

- 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, April 29, 2022

## Annexure 6 to Board's Report

FORM No. MR-3

# Secretarial Audit Report for the Financial Year ended March 31, 2022

[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, 2022, 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, 2022 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 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(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 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(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 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.

As per the minutes, the 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**  
**Practicing Company Secretaries**

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

**FCS No: 327 CP No: 1228**  
**UDIN: F000327D000235617**  
**PR No.: 1129/2021**

Mumbai, April 29, 2022

*This Report is to be read with our 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**  
**Practicing Company Secretaries**

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

**FCS No: 327 CP No: 1228**  
**UDIN: F000327D000235617**  
**PR No.: 1129/2021**

Mumbai, April 29, 2022