

Board's Report

TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their Eighty-Fourth (84th) 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, 2023.

1. Financial Results

₹ in crore

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from continuing operations	4,930	3,721	16,789	12,622
Profit before depreciation and finance costs	1,536	1,229	4,040	2,550
Depreciation and amortisation expense	245	222	892	806
Profit before finance costs	1,291	1,007	3,148	1,744
Finance costs	26	19	406	303
Profit before share of profit of joint ventures and tax	1,265	988	2,742	1,441
Share of profit of joint ventures	-	-	(2)	226
Profit before tax	1,265	988	2,740	1,667
Tax expense	238	201	288	267
Profit from continuing operations after tax	1,027	787	2,452	1,400
Profit from discontinued operations after tax	-	15	(18)	5
Profit for the year	1,027	802	2,434	1,405
Attributable to:				
- Equity shareholders of the Company	1,027	802	2,317	1,258
- Non-controlling interests	-	-	117	147
Other comprehensive income ('OCI')	(59)	1,538	(531)	2,959
Total comprehensive income	968	2,340	1,903	4,364
Balance in Retained earnings at the beginning of the year	6,642	6,078	7,616	6,255
Profit for the year (attributable to equity shareholders of the Company)	1,027	802	2,317	1,258
Remeasurement of defined employee benefit plans (net of tax)	6	17	(33)	358
Dividend	(318)	(255)	(318)	(255)
Balance in retained earnings at the end of the year	7,357	6,642	9,582	7,616

2. Dividend

For FY 2022-23, the Board of Directors has recommended a dividend of ₹ 17.50 per share i.e. 175% (previous year ₹ 12.50 per share i.e. 125%) on the Ordinary Shares of the Company. If declared at the ensuing Annual General Meeting ('AGM'), the total dividend outgo during FY 2023-24 would amount to ₹ 446 crore (previous year ₹ 318 crore).

3. Performance Review & State of Company's Affairs

3.1 Consolidated:

On a consolidated basis, the revenue from operations increased to ₹ 16,789 crore in FY 2022-23 from ₹ 12,622 crore in FY 2021-22. The increase was mainly on account of higher soda ash prices across geographies. The profit before tax

from continuing operations increased to ₹ 2,740 crore in FY 2022-23 from ₹ 1,667 crore in FY 2021-22, up by 64%.

3.2 Standalone:

On a standalone basis, the revenue from operations increased to ₹ 4,930 crore in FY 2022-23 from ₹ 3,721 crore in FY 2021-22. The increase was mainly on account of higher soda ash prices prevailing throughout the year. Profit before tax from continuing operations stood at ₹ 1,265 crore in FY 2022-23 against ₹ 988 crore in FY 2021-22, up by 28%.

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 ('Rallis'), 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 2022-23, the revenues from the Basic Chemistry Products business stood at ₹ 4,698 crore, higher by 35%.

Soda Ash

Indian soda ash demand remained steady during FY 2022-23, growing at around 4.0-4.5%, driven mainly by container, flat and solar glass segments. Considering annual solar installations of 20-25 GW, solar glass is expected to remain a key demand driver. Increasing supply chain costs and rise in global soda ash prices resulted in import parcels coming at higher prices. Domestic availability remained normal with no major outages and high operating rates due to steady demand. Availability of imported material was tight in the first half of the year but started to ease in second half of the year with easing of supply chains and lower ocean freight rates. Coal prices remained volatile and surged after the Russia-Ukraine conflict. This kept the production costs higher, though some of this was passed on to customers. Prices began to fall in the second half, but high inflationary pressures kept demand and margins under control. Soda ash realisations improved during FY 2022-23 resulting in increase in revenues and EBITDA over FY 2021-22. Higher than expected demand coupled with supply constraints and a pressure of increased input and energy cost led to increased pricing.

Sales of soda ash for FY 2022-23 stood at 6.5 lakh Metric Tonne ('MT'), a decrease of 5% over the previous year.

Sodium Bicarbonate

Sales of sodium bicarbonate stood at 1.2 lakh MT, same as last 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. The Company recorded highest ever production of salt at 13.2 lakh MT during FY 2022-23. In addition, a project is under implementation to increase the salt manufacturing capacity to meet the projected demand increase. On the manufacturing side, solar salt production was affected due to brine dilution owing to extended rains and flooding.

Other Products

Sale of cement stood at 4.8 lakh MT, an improvement of 13.7% over previous year. Bromine production was impacted due to bittern dilution.

Subsidiaries

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

During FY 2022-23, overall revenue for TCNA increased by 32% to US\$ 655.7 million (₹ 5,271 crore) from US\$ 495.0 million (₹ 3,688 crore) due to increased realisation offsetting a small volume reduction of 2%.

EBITDA registered an increase of 51% to US\$ 160.3 million (₹ 1,288 crore) against US\$ 106.0 million (₹ 790 crore) in FY 2021-22. This increase in business performance led to TCNA registering a profit after tax and non-controlling interest of US\$ 90.7 million (₹ 729 crore) during FY 2022-23 compared to a profit of US\$ 49.9 million (₹ 372 crore) in FY 2021-22.

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 to as 'UK Operations' of the Company in this Report.

The turnover from the UK Operations for FY 2022-23 was £ 271.5 million (₹ 2,629 crore) against £ 191.5 million (₹ 1,949 crore) in the previous year, registering a growth of 42%.

In a year dominated by high and volatile natural gas prices, soda ash sales volumes were steady throughout the year with slight softening of demand in the chemicals and construction sectors witnessed later in the year. Sales of high-grade sodium bicarbonate remained consistent compared to FY 2021-22, with some softness latterly in relation to lower technical grades in the Central & Western Europe market. Prices for both products were

substantially higher to reflect higher raw material and energy cost inputs.

The UK Operations maintained core UK market share with slightly reduced exports into Europe in line with the above. The combined heat and power (CHP) facility at Winnington performed well through the year generating good electricity margins despite volatile and high natural gas prices throughout the period.

In the Salt business, sales volumes were steady amid rising energy costs and price was increased in the market to reflect the same.

EBITDA for FY 2022-23 for the UK Operations was £ 63.6 million (₹ 615 crore) against £ 11.6 million (₹ 118 crore) and the profit after tax was £ 45.0 million (₹ 435 crore) against the loss of £ 8.4 million (₹ 85 crore) in the previous year.

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

During FY 2022-23, sales volumes were lower by 10% over FY 2021-22. TCML achieved a revenue of US\$ 117.6 million (₹ 945 crore) for FY 2022-23 as against revenue of US\$ 77.4 million (₹ 577 crore) in the previous year, an increase of 52%. For FY 2022-23, TCML registered an EBITDA of US\$ 58.3 million (₹ 468 crore) against the EBITDA of US\$ 19.2 million (₹ 143 crore) in the previous year, higher by 204%. The increase in EBITDA was due to better realisations and cost control. TCML recorded a net profit of US\$ 55.9 million (₹ 450 crore) in FY 2022-23 against a net profit of US\$ 12.7 million (₹ 94 crore) in FY 2021-22.

5.2 Specialty Products

Standalone

Silica

Tyre demand during FY 2022-23 had normalised. Tyre labelling norms will continue to drive demand of highly dispersible silica (HDS). Silica margins in FY 2022-23 were impacted by a steep increase in raw material and energy costs. The Company's primary focus will be on scaling use of HDS in tyre to protect overall realisations.

Prebiotics & Formulations

The Company stabilised its operations at its state-of-the-art greenfield facility in Mambattu, Andhra Pradesh. Food safety certifications (FSSAI, FSSC 22000, FAMI QS, Halal, Kosher), strong scientific backing, regulatory support,

together with ongoing application development have enabled the Company to serve customers across the globe.

In addition to continuing growth from the USA and South East Asia markets, there has been encouraging potential also opening up from the European Union. The facility has been qualified by some global customers placing the Company on the path of achieving full capacity utilisation in the coming year. There were specific intervention projects undertaken to improve efficiencies and cost of operations.

Subsidiary

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

Rallis India Limited, the Company's listed subsidiary, has been serving Indian farmers and Global markets through its products in Crop Protection, Crop Nutrition and Hybrid Seeds. Rallis achieved revenue from operations of ₹ 2,967 crore in FY 2022-23 compared to ₹ 2,602 crore in FY 2021-22, an increase of 14%. The profit after tax stood at ₹ 92 crore, down by 44% against a profit after tax of ₹ 164 crore in FY 2021-22.

During FY 2022-23, the Domestic Crop care business of Rallis achieved a revenue of ₹ 1,643 crore as against ₹ 1,468 crore in FY 2021-22, an increase of 11.9%. This is in the context of the industry facing headwinds from erratic rainfall and lower pest infestation across the majority of the crops. Large part of the growth in the Agrochemicals industry in general and Rallis in particular has been driven by price growth.

The International business of Rallis grew by 24.5% to ₹ 979 crore in FY 2022-23 from ₹ 787 crore in FY 2021-22. Growth was competitive and well balanced between price and volume.

Revenue of the Seeds division of Rallis decreased by 1.3% over the previous year to ₹ 345 crore. The business continued to witness challenges for the second year in a row. Reduced demand for Hybrid Paddy and the presence of illegal cotton seeds impacted the industry. Profitability was impacted due to inventory provision & impairments of intangibles of ₹ 83 crore. Their portfolio has also faced challenges with some of the product launches not scaling up as per the expectations. High fixed costs have also limited operating leverage impacting the overall profitability of the business.

6. Finance and Credit Ratings

Amid the geopolitical conflict and a global macro-economic scenario of pressing energy inputs costs, rising interest

rates, high inflation and supply-chain disruptions, the Company kept the focus on accelerated pre-payment of loans at its overseas subsidiaries while at the same time proactively responded to the global situation by negotiating competitive margins during refinances, arranging appropriate trade finance facilities to realign with the working capital requirements and broadening the investment avenues to enhance blended yield on deployment of surplus cash balances.

The Company's overseas subsidiary, Tata Chemicals Magadi Limited, Kenya, pre-paid its entire term loan outstanding of US\$ 36 million during the year. Term loans at Tata Chemicals International Pte Limited ('TCIPL'), Singapore and Homefield Pvt UK Limited amounting to US\$ 200 million and US\$ 28.5 million respectively, were refinanced and consolidated at TCIPL, Singapore. £ 80 million term loan at UK was refinanced with a new loan of £ 70 million and balance was repaid. Tata Chemicals North America has repaid US\$ 85 million, ahead of the schedule, during the year under review.

During FY 2022-23, Rallis, a subsidiary and IMACID, a joint venture, paid dividends of ₹ 29 crore (FY 2021-22: ₹ 29 crore) and ₹ 92 crore (FY 2021-22: ₹ 28 crore) respectively to the Company. Tata Chemicals South Africa (Pty) Limited paid a dividend of South African Rand 5.0 million (₹ 2 crore) [FY 2021-22: South African Rand 30.0 million (₹ 15 crore)]. TC Africa Holdings Limited paid a dividend of £ 0.3 million (₹ 3 crore) [FY 2021-22: £ 1.5 million (₹ 15 crore)].

For the year under review, the Company's credit ratings were reaffirmed. Fitch Ratings upgraded the outlook to 'Positive'.

The Company as on March 31, 2023 had the following credit ratings:

- Long Term Corporate Family Rating – Foreign Currency of Ba1/Stable from Moody's Investors Service
- Long Term Foreign Currency Issuer Default Rating (IDR) of BB+ with Positive 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

7. Dividend Distribution Policy

In accordance with Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy 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>.

8. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2022-23 in the retained earnings.

9. 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, 2023.

10. 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, the Business Responsibility & Sustainability Report depicting initiatives taken by the Company from an environmental, social and governance perspective which has been assured by Ernst & Young LLP, forms part of this Integrated Annual Report.

11. 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 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 2022-23 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.

During the year under review, the Company did not enter into any contracts or arrangements with related parties and no material related party transactions were entered into pursuant to Section 188(1) of the Act read with the relevant rule. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for FY 2022-23 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 specified format to the stock exchanges on a half-yearly basis.

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

12. 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.

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 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.

13. 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 programmes focus on health and nutrition, education and drinking water.

The Company conducts regular health and nutrition camps and also provides health care services. 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, installation and maintenance of drinking water pipelines, 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.

The Company also endeavours to respond to disasters that affect any part of India and in the neighbourhood of all its manufacturing plants.

The CSR Policy is available on the website of the Company at <https://www.tatachemicals.com/CSRPolicy2021.htm>.

The Annual Report on CSR activities for FY 2022-23 is enclosed as **Annexure 1** to this Report.

14. Whistleblower Policy and Vigil Mechanism

The Company has devised an effective whistleblower mechanism enabling stakeholders, including individual employees and their representative bodies, to communicate their concerns about illegal or unethical

practices freely. The Company has also established a vigil mechanism for stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Protected disclosures can be made by a whistleblower through several channels. The Whistleblower Policy of the Company 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 e-mail facilities.

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

15. 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.

16. Particulars of Loans, Guarantees and Investments

During the year under review, the Company has given a loan of ₹ 150 crore to Tata International Limited, carrying a

coupon of 9.2% p.a. The proceeds on maturity of existing Non-Convertible Debentures of ₹ 150 crore held in Tata International Limited were timely received.

Pursuant to the merger of Bio Energy Ventures-1 (Mauritius) Pvt. Ltd., erstwhile subsidiary ('Bio Energy') into the Company, a loan to Homefield Pvt UK Ltd of US\$ 92.52 million (₹ 701 crore) and an investment in Preference shares of Homefield Pvt UK Ltd of US\$ 17.85 million (₹ 116 crore), got transferred to the Company as directly held assets. Both these assets were earlier impaired in the books of Bio Energy and hence reflected without any value in the Company's books upon merger. Subsequently, in line with the procedural requirements under the Cross Border Merger guidelines, the loan and the Preference shares were transferred during the year to Tata Chemicals International Pte. Ltd., Singapore.

There were no investments in equity shares during the year under review.

The Company has not extended any Corporate Guarantee during the year under review.

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.

17. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2022-23 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>.

18. Subsidiary Companies, Joint Ventures and Associate

As on March 31, 2023, the Company had 27 (direct and indirect) subsidiaries (2 in India and 25 overseas), 3 Joint Ventures (JV) and 1 Associate. There has been no material change in the nature of the business of the subsidiaries.

During the year under review, Cheshire Compressor Limited, wholly-owned step-down subsidiary was dissolved and accordingly ceased to be a subsidiary of the Company with effect from March 14, 2023.

Subsequent to the year end, Tata Chemicals (Soda Ash) Partners [a general partnership formed under the laws of the State of Delaware (USA)] was converted into a Limited Liability Corporation (LLC) and renamed Tata Chemicals Soda Ash Partners LLC with effect from April 3, 2023. Further, TCSAP LLC, another subsidiary, was merged with the above subsidiary with effect from April 3, 2023.

Pursuant to SEBI Listing Regulations, the Company's Policy on determining material subsidiaries is uploaded on the Company's website at <https://www.tatachemicals.com/policy-on-determining-material-subsidiaries.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 AOC-1 enclosed to the Financial Statements.

19. 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.

20. 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 2022-23.

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, 2023:

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

laws and that such systems are adequate and operating effectively.

21. Corporate Governance and Compliance

The Company follows the best governance practices to boost long-term shareholder value and 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.

22. Directors and Key Managerial Personnel

Directors

Re-appointment

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. N Chandrasekaran, Non-Executive, Non-Independent

Director (Chairman) of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Ms. Padmini Khare Kaicker (DIN: 00296388) completed her first term of five years as Independent Director of the Company on March 31, 2023. On the recommendation of the Nomination & Remuneration Committee ('NRC') and the Board of Directors, the Shareholders of the Company on March 23, 2023 by way of a special resolution passed through postal ballot, approved the re-appointment of Ms. Kaicker as Independent Director of the Company for a second term of five years commencing from April 1, 2023 upto March 31, 2028.

Mr. Zarir Langrana (DIN: 06362438) was appointed as the Executive Director of the Company for a period of five years effective April 1, 2018 upto March 31, 2023. Based on the recommendation of the NRC, the Board of Directors, at its meeting held on February 1, 2023, re-appointed Mr. Langrana as the Executive Director for a further period effective April 1, 2023 upto February 29, 2024 (i.e. till he attains the retirement age in line with the Retirement Policy adopted by the Company), subject to approval of the shareholders. On March 23, 2023, the Shareholders of the Company, by way of a postal ballot, approved the re-appointment of Mr. Langrana as Executive Director for the above-mentioned tenure.

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 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')

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, Chief 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 Directors 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 same is available at <https://www.tatachemicals.com/criteriadetermining.pdf>.

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.

23. 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 available at <https://www.tatachemicals.com/rempolicy>.

24. 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 2** forming part of this Report.

25. 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 3** 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 also 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.

26. Auditors

I. Statutory Auditors

At the 83rd AGM held on July, 6, 2022, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a second term of five (5) consecutive years upto the 88th AGM 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.

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 2023-24.

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 84th AGM forming part of this Integrated Annual Report.

III. Secretarial Auditors

In terms of Section 204 of the Act and Rules made thereunder, M/s. Parikh & Associates, Practising Company Secretaries (Firm Registration No. P1988MH009800) have been appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2023-24. The report of the Secretarial Auditors for FY 2022-23 is enclosed as **Annexure 4** forming part of this Report.

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

27. 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.

28. General Disclosures

I. Details of Board Meetings

During the year under review, six (6) 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, nine (9) 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, three (3) 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.

29. 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) 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.

30. 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, 2023 is available on the Company's website at <https://www.tatachemicals.com/MGT72023.pdf>.

31. Acknowledgements

The Directors appreciate the hard work, dedication, and commitment of all its employees including workmen at the manufacturing plants towards the success of the Company.

The Directors also 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, May 3, 2023

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/CSRPolicy2021.htm>.

2. Composition of CSR Committee:

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

5. (a) **Average net profit of the Company as per sub-section (5) of section 135:** ₹ 669.39 crore for the preceding three financial years
- (b) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** ₹ 13.39 crore
- (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** N.A.
- (d) **Amount required to be set-off for the financial year, if any:** NIL
- (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 13.39 crore
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 14.88 crore
- (b) **Amount spent in Administrative Overheads:** ₹ 0.53 crore
- (c) **Amount spent on Impact Assessment, if applicable:** ₹ 0.10 crore
- (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 15.51 crore

3. Provide the web-link(s) 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/investors/investor-resources>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

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 2022-23, the Company has undertaken an Impact Assessment study of its Health and Nutrition Project at Amravati and Barwani Districts. The study has been conducted by CRISIL, an independent external agency. 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/investors/investor-resources>

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
15.51	NOT APPLICABLE				

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

Sl. No.	Particular	Amount (in ₹ crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-Section (5) of Section 135	13.39
(ii)	Total amount spent for the Financial Year	15.51
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	2.12
(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)]	2.12

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-Section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-Section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
NOT APPLICABLE								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
NOT APPLICABLE							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135:

Not Applicable

R. Mukundan
Managing Director & CEO
 DIN: 00778253

Mumbai, May 3, 2023

S. Padmanabhan
Chairman-CSR Committee
 DIN: 00306299

Mumbai, May 3, 2023

Annexure 2 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 2022-23:

In Soda Ash Plant at Mithapur:

- Waste Reduction in packaging at Soda ash plant
- Reduction in 20 pound per square inch pressure steam consumption at still and Weak Liquor Distillation System (WLDS)
- Replacement of Shell & Tube coolers with Plate Heat Exchangers (PHEs) in Soda Ammonia Absorber (under execution)
- Replacement of WLDS column

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

- Improvement in Fluidised Bed Drier availability at MUW-4
- Upgradation of air heater of MUW-3 and 4

In Cement Plant at Mithapur:

- Improved Cement Mill throughput by use of grinding aid
- Consumption of Siberian & South African anthracite fines and coke fines generated from chemical complex
- Energy audit by Pricewaterhouse Coopers in progress
- Reduction in power consumption and availability by replacing limestone crusher vibrating screen with drive belt conveyor

Energy efficiency projects in Power Plant at Mithapur:

- Improvement of heat recovery and transfer process in the power plant to reduce heat losses

Measures undertaken in Electrical Systems at Mithapur:

- Energy monitoring system at Power plant
- New capital projects being undertaken with energy efficient motors, energy efficient lighting and high efficiency distribution transformers

In Plant at Mambattu:

- Installed two solar dryers to dry the hazardous waste generated from Effluent Treatment Plant (ETP) and reduced waste generation to 53%
- Installed condensate recovery system to recover the steam condensate from process
- Installed Variable Frequency Drive ('VFD') in boiler to reduce the power consumption

In Silica Plant at Cuddalore:

- Increased capacity utilisation from 67% in FY 2021-22 to 82% in FY 2022-23
- Reduction in energy loss at Coal Fired Hot Air Generator and Dryer
 1. Insulation at cage mill section and replacement of duct bellows
 2. Fine tuning of operation parameters to reduce stack inlet temperature
- Boiler Automation and Steam trap heat recovery system
- Diesel Generator major overhauling done for reduction in diesel consumption and increased DG efficiency
- Optimisation of specific consumption of power done by:
 1. Installation of Energy Management System
 2. Installation of VFDs at various sections for reduction of power consumption

At 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, during the year, 103 tonnes of CO₂ reduction is achieved through solar system

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

- Continuous usage of groundnut shell (Biofuel) briquette at 20% mixed feed ratio in boiler and Coal Fired Hot Air Generator at Cuddalore (CFHAG)
- Biomass fuel has been started in CFBC Boilers of Mithapur
- Shredded plastic, spent resin & oil have been used in Cement plant of Mithapur
- Roof Top solar at Cuddalore has gone in to execution stage
- 2 MW solar power plant for Mithapur township is being executed

(iii) Capital Investment on Energy Conservation Equipments:

		₹ in crore
Sr. No.	Project Description	Capex Cost
In the Soda Ash Plant at Mithapur:		
1.	WLDS Column replacement in Soda Ash Plant	3.84
2.	Replacement of IBIL and B&W Boiler Bed coil and Bed Super Heater coil	0.76
3.	Upgradation of air heater of MUW-3 and 4	0.80
4.	Electrical projects for energy saving	0.29
5.	Pressure Filter Overhauling in cement plant	3.86
6.	Major overhauling of TT-7 and TT-12 toppe turbines	1.08
In the Silica Plant at Cuddalore:		
7.	VFD for 22kW compressor and Melter recirculation	0.07
8.	Diesel Generator overhauling	0.35
9.	Harmonic Filter with D-tune filter	0.04
10.	Boiler Steam trap heat recovery system	0.01
11.	Food Grade CFHAG skin tube replacement	0.65
12.	Energy Management System	0.03
In the Nutra Plant at Mambattu:		
13.	Installation of condensate recovery system to recover the process steam condensate	0.24
14.	Installation of two solar dryer systems to dry the hazardous waste generated from ETP	0.15
15.	Installation of VFD for boiler	0.07
Total		12.24

B. Technology Absorption

(i) The efforts made towards Technology Absorption

At Mithapur:

- Commissioned Nano seawater technology for brine purification in soda ash plant
- Packing and pelletising machine for Bicarb and Vacuum Salt packing
- Commissioned Steam jet refrigeration plant for chilled water system in Soda Ash plant
- Carbonation and de-carbonation design for refined sodium bicarbonate project
- Flash dryer technology for refined sodium bicarbonate project

At Mambattu:

- Installed two solar dryers to dry hazardous waste generated from effluent treatment plant, thereby reducing the waste generation from 479 MT to 222 MT in the 11 months of operation
- Conducted feasibility study for TADOX technology (Advanced Oxidation Technology) at lab scale level to treat the high COD (Chemical Oxygen Demand) and BOD (Biological Oxygen Demand) effluents that are generated from fermentation process. Based on trial it was concluded as TADOX technology is not suitable for high colour and high BOD effluent

At Cuddalore:

- Installed membrane filter for filtration of Liquid silicate
- Manufacturing of HDS from Silicate produced from Rice Husk Ash
- Technology absorption in maintenance
 1. Special tools and tackles for optimisation of maintenance time
 2. Predictive maintenance for critical equipment
 3. Digitisation of engineering log book
 4. In-house calibration of all flow meter

- Online moisture analyzer and online pH meter with Air Operated Diaphragm pump in Tyre grade stream
- Digitisation – SAP generated Certificate of Analysis in Lab
- Mercury Porosity meter installed for Tyre grade product
- Technology absorption in ongoing projects
 1. Pearl dryer for manufacturing of micro pearl silica with reduced dusting properties - Gen 2 silica
 2. Conversion of Food Grade stream to Tyre Grade stream
 3. Rooftop solar project with capacity of 578 KW
 4. Membrane filtration technology for filtration of precipitated silica
 5. Multi-fuel feeding technology in HAG for pearl dryer project
 6. QDMS (Quality Document Management System)

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

- Improved the throughput of spray dryer and achieved highest production of 16 MTPD which resulted in reduction of Specific consumption of Steam and Power per MT of powder production (Mambattu)
- Manufactured HDS silica from RHA imported from Bangladesh (Cuddalore)
- Commercial production of Battery separator grade silica (TAVERSIL 150) (Cuddalore)
- Alternate fuel sources are being explored and implemented to reduce energy costs
- Throughput improvement projects in progress for dense ash & cement

(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	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)	Mercury porosity analyzer for HDS silica – Antonpaar (Cuddalore)	Soda Ash Basic Engineering from Niochim, Concetti Packing Machine & Palletizer for Bicarb (Mithapur)
(b) The year of import	2019-20	2019-20	2020-21	2021-22	2022-23	2022-23
(c) Whether the technology has been fully absorbed	Yes	No	Yes	Yes	Yes	No
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	N.A.	Achieved 96% of design capacity. Stabilisation for consistent throughput of Spray dryer with OEM support is under progress.	N.A.	N.A.	N.A.	Machinery is imported. It is yet to be installed and commissioned.

#SSMB - Sequential Simulated Moving Bed

*TKIS - ThyssenKrupp Industrial Solutions

(iv) The expenditure incurred on Research & Development (Standalone)

Particulars	₹ in crore	
	Year ended March 31, 2023	Year ended March 31, 2022
Capital expenditure	2	8
Revenue expenditure	26	24
Total R&D expenditure	28	32
Total R&D expenditure as a percentage of revenue from operations	0.56%	0.84%

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:

Particulars	₹ in crore	
	Year ended March 31, 2023	Year ended March 31, 2022
Foreign exchange earned	121	75
Outgo of foreign exchange	1,128	1,121

On behalf of the Board of Directors

N. Chandrasekaran

Chairman

DIN: 00121863

Mumbai, May 3, 2023

Annexure 3 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 2022-23 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
Non-Executive Directors		
Mr. N. Chandrasekaran*	N.A.	N.A.
Ms. Vibha Paul Rishi	11.85:1	16.61
Mr. S. Padmanabhan**	N.A.	N.A.
Ms. Padmini Khare Kaicker	11.67:1	16.28
Dr. C. V. Natraj	11.56:1	17.52
Mr. K. B. S. Anand	9.96:1	20.39
Mr. Rajiv Dube	9.44:1	23.19
Executive Directors		
Mr. R. Mukundan, Managing Director & CEO	147.25:1	16.15
Mr. Zarir Langrana	77.09:1	23.54
Key Managerial Personnel		
Mr. Nandakumar S. Tirumalai, Chief Financial Officer [#]	-	23.14
Mr. Rajiv Chandan, Chief General Counsel & Company Secretary	-	13.53

Note: Remuneration includes commission which relates to FY 2022-23 and which will be paid during FY 2023-24

*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

[#]For the purpose of disclosure, remuneration for FY 2021-22 considered for arriving at % increase in remuneration over previous year includes performance pay received from his previous employer during FY 2021-22

B. Percentage increase in the median remuneration of employees in FY 2022-23: (9.23)%

C. Number of permanent employees on the rolls of the Company as on March 31, 2023: 1,794

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)	8.71
Average increase in remuneration of managerial personnel	18.59

E. Affirmation:

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

On behalf of the Board of Directors

N. Chandrasekaran

Chairman

DIN: 00121863

Mumbai, May 3, 2023

Annexure 4 to Board's Report

FORM MR-3

Secretarial Audit Report for the Financial Year ended March 31, 2023

[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, 2023, 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, 2023 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 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 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, 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.

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
Company Secretaries

P. N. Parikh
Partner

FCS No: 327 CP No: 1228
UDIN: F000327E000262732
PR No.: 1129/2021

Mumbai, May 3, 2023

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
Company Secretaries

P. N. Parikh
Partner

FCS No: 327 CP No: 1228
UDIN: F000327E000262732
PR No.: 1129/2021

Mumbai, May 3, 2023