

Board's Report

TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their Eighty-Fifth (85th) 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, 2024.

1. Financial Results

Particulars	Standalone		Consolidated	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
	₹ in crore			
Revenue from continuing operations	4,384	4,930	15,421	16,789
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	875	1,235	2,847	3,822
Depreciation and amortisation expense	295	245	980	892
Earnings before Interest and Taxes (EBIT) (before other Income)	580	990	1,867	2,930
Other Income	383	301	286	218
Earnings before Interest and Taxes (EBIT) (after other Income)	963	1,291	2,153	3,148
Finance costs	49	26	530	406
Profit before exceptional items, share of profit/(loss) of joint ventures and associate and tax	914	1,265	1,623	2,742
Exceptional items (net)	102	-	(861)	-
Profit/(loss) before share of profit/(loss) of joint ventures and associate and tax	1,016	1,265	762	2,742
Share of profit / (loss) of joint ventures and associate	-	-	68	(2)
Profit before tax	1,016	1,265	830	2,740
Tax expense	120	238	381	288
Profit from continuing operations after tax	896	1,027	449	2,452
Loss from discontinued operations after tax	-	-	(14)	(18)
Profit for the year	896	1,027	435	2,434
Attributable to:				
- Equity shareholders of the Company	896	1,027	268	2,317
- Non-controlling interests	-	-	167	117
Other comprehensive income ('OCI')	2,283	(59)	2,814	(531)
Total comprehensive income	3,179	968	3,249	1,903
Balance in Retained earnings at the beginning of the year	7,357	6,642	9,582	7,616
Profit for the year (attributable to equity shareholders of the Company)	896	1,027	268	2,317
Remeasurement of defined employee benefit plans (net of tax)	(9)	6	(30)	(33)
Dividends	(446)	(318)	(446)	(318)
Acquisition of non-controlling interests	-	-	(116)	-
Balance in Retained earnings at the end of the year	7,798	7,357	9,258	9,582

2. Dividend

For FY 2023-24, the Board of Directors has recommended a dividend of ₹ 15 per share i.e. 150% (Previous year: ₹ 17.50 per share i.e. 175%) on the Ordinary Shares of the Company. If declared at the ensuing Annual General Meeting ('AGM'), the total dividend outgo during FY 2024-25 would amount to ₹ 382 crore (Previous year: ₹ 446 crore).

3. Performance Review & State of Company's Affairs

3.1 Consolidated:

On a consolidated basis, the Revenue from operations for FY 2023-24 stood at ₹ 15,421 crore (Previous year: ₹ 16,789 crore) and EBITDA for FY 2023-24 stood at ₹ 2,847 crore (Previous year: ₹ 3,822 crore). The results were impacted negatively mainly on account of lower soda ash volumes and pricing pressure all regions. Profit before tax (before exceptional items) for FY 2023-24 stood at ₹ 1,623 crore (Previous year: ₹ 2,742 crore). Exceptional item of ₹ 861 crore includes one-time non-cash expenses of ₹ 963 crore on account of impairment of mainly the soda ash plant at Lostock, UK and ₹ 102 crore entry tax provision reversal in India. Profit after tax for continuing operations for FY 2023-24 stood at ₹ 449 crore (Previous year: ₹ 2,452 crore).

3.2 Standalone:

On a standalone basis, the Revenue from operations for FY 2023-24 stood at ₹ 4,384 crore (Previous year: ₹ 4,930 crore). EBITDA for FY 2023-24 stood at ₹ 875 crore (Previous year: ₹ 1,235 crore), the results were impacted negatively mainly on account of lower soda ash volumes and pricing pressures. Profit before tax (before exceptional items) for FY 2023-24 stood at ₹ 914 crore (Previous year: ₹ 1,265 crore). Exceptional item is of ₹ 102 crore towards entry tax provision reversal. Profit after tax for FY 2023-24 stood at ₹ 896 crore (Previous year: ₹ 1,027 crore).

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. Economies of scale, supply chain efficiencies and customer relationships and services drive this business. This business 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, Solar & Container), Detergent, EV batteries, 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 Rubber, Tyre & Food industries. Prebiotics 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 2023-24, the revenues from the Basic Chemistry Products business stood at ₹ 4,219 crore, lower by 10% over previous year.

Soda Ash

Indian Soda Ash demand increased marginally during FY 2023-24 with commissioning of new float lines.

Fiscal year 2023-24 saw stagnant demand growth of Soda Ash globally. This was largely driven by persistent high inflation rates across economies and continued geopolitical conflicts in Europe and Middle East. Europe saw sharpest demand decline. China, world's largest Soda Ash market, also saw lower than expected demand growth mainly due to real estate crisis and stagnant automotive sector. While

demand remained muted across consumption economies, the Soda Ash industry saw higher than expected capacity addition. Approximately 2.5 million Metric Tonne ('MMT') of additional capacities came onstream in Calendar Year 2023 resulting in the situation of over supplies.

India demand too was impacted due to high inflationary situation. Detergent and domestic flat glass sectors, leading Soda Ash consumption segments saw slower demand growth in FY 2023-24. Besides, due to demand contraction in Europe, suppliers from Turkey and Middle East diverted materials to other importing geographies. Indian imports of Soda Ash increased by ~ 80% in the fiscal year crossing 1 MMT mark. Low demand coupled with increased imports created over supplies of Soda Ash resulting in sharp decline of prices by 25% - 30% in India.

Sales of soda ash for FY 2023-24 stood at 6.4 lakh MT, a marginal decrease of 0.7% over the previous year.

Sodium Bicarbonate

Sales of sodium bicarbonate stood at 1.3 lakh MT, a marginal increase 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).

Sodium Bicarbonate demand was stable in India mainly led by food and pharma industries. New emerging application of industrial flue gas treatment is adding additional demand in the sector. However, prices saw reduction mainly due to sharp decline in Soda Ash prices.

Salt

The demand growth for salt was stable 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 production of salt at 13.44 lakh MT during FY 2023-24. 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 Inorganic Chemicals

Sale of cement stood at 2.83 lakh MT, a decrease of 41% over previous year. Bromine production was impacted due to bittern dilution.

Subsidiaries

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

During FY 2023-24, overall revenue for TCNA decreased marginally by 1% to US\$ 649.4 million (₹ 5,377 crore) from US\$ 655.7 million (₹ 5,271 crore) in the previous year due to lower volumes in the export markets as well as drop in soda ash price.

EBITDA registered a decrease of 19% to US\$ 130.1 million (₹ 1,077 crore) against US\$ 160.3 million (₹ 1,288 crore) in FY 2022-23. TCNA registered a profit after tax of US\$ 57.1 million (₹ 472 crore) during FY 2023-24 as against a profit of US\$ 90.7 million (₹ 729 crore) in the previous year.

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.

Total revenue from the UK Operations for FY 2023-24 was £ 231.0 million (₹ 2,404 crore) against £ 271.5 million (₹ 2,629 crore) in the previous year, registering a decline of 15%.

Soda Ash and Bicarb volumes were down during the year due to weak market demand. Margins were also affected significantly due to high fixed cost based on high inflation, maintenance cost and interest rate increases.

The Combined heat and Power (CHP) facility at Winnington's performance was affected due to lower energy margins.

In the Salt business, sales volume were lower whereas higher prices contributed to better realisation.

EBITDA for FY 2023-24 for the UK Operations was £ 33.4 million (₹ 347 crore) against £ 63.6 million (₹ 615 crore) and the loss after tax was £ 95.3 million (₹ 992 crore) against the profit of £ 45.0 million (₹ 435 crore) in the previous year, on account of exceptional item towards impairment of mainly the soda ash plant at Lostock, UK.

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

During FY 2023-24, TCML achieved a revenue of US\$ 77.4 million (₹ 640 crore) for FY 2023-24 as against revenue of US\$ 117.6 million (₹ 945 crore) in the previous year, a

decrease of 34%. For FY 2023-24, TCML registered an EBITDA of US\$ 25.4 million (₹ 211 crore) against US\$ 58.3 million (₹ 468 crore) in the previous year, TCML recorded a net profit of US\$ 16.1 million (₹ 134 crore) in FY 2023-24 against a net profit of US\$ 55.9 million (₹ 450 crore) in FY 2022-23. The results were impacted negatively mainly due to lower volumes and pricing pressures.

5.2 Specialty Products

Standalone

Silica

The installed capacity for silica is 10,000 MT with 50% each for tyre and food line. The Company has produced 7,895 MT silica and with 100% capacity utilization for tyre grade. Food grade line remained under utilised. The Company is in the process of converting food line to tyre line in FY 2024- 25 in order to meet tyre and rubber customers demand. Highly Dispersible Silica (HDS) production was 1,100 MT and supply was 1,070 MT during FY 2024. Tyre labelling norms will continue to drive demand of HDS. Silica margins in FY 2023-24 were impacted by a steep increase in raw material and energy costs. The Company is focusing on scaling up silica business significantly including HDS.

Prebiotics

The Company continues to strengthen its operations at its state-of-the-art greenfield facility in Mambattu, Andhra Pradesh. This facility boasts an array of comprehensive food safety certifications, including FSSAI, FSSC 22000, FAMI QS, Halal, and Kosher. Additionally, the Company has received ISO 14001:2015, ISO 45001:2018, and ISO 9001:2015 certifications, highlighting its commitment to responsible manufacturing practices in terms of environmental management, occupational health and safety, and quality management.

In addition to our core segments, the pet food market has emerged as a significant area of growth, where we have gained a considerable foothold. Market expansion remains robust, with continued growth from the USA and South East Asia. Additionally, promising opportunities are emerging from the European Union. The Mambattu facility has been qualified by several global customers, positioning the Company to reach full capacity utilization in the coming year.

To further enhance its market presence, the Company has undertaken specific intervention projects aimed at adding additional applications in the global market. These projects are expected to drive sustained growth and operational excellence.

Subsidiary

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

Rallis India Limited, the Company's listed subsidiary, has a strong Brand and Chemistry play in the Agrochemicals sector.

Rallis' revenue from operations for FY 2023-24 was ₹ 2,648 crore as compared to ₹ 2,967 crore during FY 2022-23, a decrease of 11% from the previous year. Profit before tax was ₹ 196 crore during the year compared to ₹ 128 crore in the previous year. Rallis earned a net profit after tax of ₹ 148 crore, higher by 61%, as against a net profit after tax of ₹ 92 crore in the previous year. Domestic Crop Care business grew volumetrically but due to steep price correction had an overall de-growth of 3%. After a strong FY 2022-23, exports business suffered due to inventory de-stocking and price drop across markets resulting in overall degrowth of 35%. Seeds business bounced back after difficult last 2 years with volume-led growth of 21%.

6. Finance and Credit Ratings

The Company's focused endeavours during the year included accelerated repayment of term loans at most of its overseas subsidiaries, re-negotiation of interest rate on long-term loan, re-alignment for utilisation of competitive trade finance facilities for working capital management, suitable conservation of cash, intensive planning for cash flows optimisation, maintaining sufficient liquidity, observing disciplined risk mitigation measures and greater use of digital solutions.

During the year under review, Tata Chemicals International Pte. Limited ('TCIPL'), Singapore repaid US\$ 50 million of long-term loan, TCNA repaid US\$ 95 million of long-term loan, Homefield Pvt UK Limited repaid US\$ 6 million of long-term loan and British Salt Limited repaid £ 6 million of long-term loan. Long term loan interest rate was re-negotiated for British Salt Limited facility.

During FY 2023-24, Rallis, a subsidiary and Indo Maroc Phosphore SA (IMACID), a joint venture, paid dividends of ₹ 24 crore (FY 2022-23: ₹ 29 crore) and ₹ 136 crore (FY 2022-23: ₹ 92 crore) respectively to the Company. No dividend was paid by Tata Chemicals South Africa (Pty) Limited [FY 2022-23: South African Rand 5.0 million (₹ 2 crore)] and TC Africa Holdings Limited [FY 2022-23: ₹ 0.3 million (₹ 3 crore)].

For the year under review, the Company's credit ratings were reaffirmed.

The Company as on March 31, 2024 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 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.

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 2023-24 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, 2024.

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 reasonably assured by KPMG Assurance and Consulting Services 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 2023-24 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 pursuant to Section 188(1) of the Act read with the relevant rule and no material related party transactions were entered into. 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 2023-24 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 focused 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 focused 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 below 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 2023-24 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 set up 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 invested in the preference shares of its subsidiary company, TCIPL, Singapore an amount of US\$ 50 million. The Company also acquired 97,00,000 equity shares having face value of ₹ 1 each of its listed subsidiary, Rallis India Limited representing 4.99% of the paid-up capital of Rallis.

During the year under review, the Company has provided corporate guarantee of US\$ 54.6 million and £ 84 million in relation to loans at Homefield Private UK Limited and Natrium Holdings Limited respectively, replacing an earlier corporate guarantee.

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 2023-24 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, 2024, the Company had 22 (direct and indirect) subsidiaries (2 in India and 20 overseas), 3 Joint Ventures ('JV') and 1 Associate. There has been no material change in the nature of the business of the subsidiaries.

In order to simplify the holding structure and rationalise the number of intermediate entities, during the year, the Company carried restructuring of its subsidiaries as under:

- Tata Chemicals (Soda Ash) Partners, was converted from a partnership to a limited liability company (LLC) resulting in change of name to Tata Chemicals (Soda Ash) Partners LLC, TC (Soda Ash) Partners Holdings and TCSAP LLC merged into Tata Chemicals (Soda Ash) Partners LLC and Valley Holdings Inc. merged into Tata Chemicals North America Inc. The above restructuring process concluded on June 1, 2023.
- Brinefield Storage Limited was dissolved with effect from September 19, 2023
- Cheshire Cavity Storage 2 Limited was dissolved with effect from December 19, 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 at 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 2023-24.

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, 2024:

- 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 in place 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

Retirement

During the year under review, Mr. Zarir Langrana (DIN: 06362438) completed his tenure as an Executive Director effective February 29, 2024, on attaining the superannuation age in line with the Retirement Policy adopted by the Company. The Board places on record its appreciation for his invaluable contribution and guidance during his over four decades of long tenure with the Company.

Re-appointment

The Shareholders of the Company at the 84th AGM held on June 26, 2023, approved the re-appointment of Mr. R. Mukundan for a further period of five (5) years from November 26, 2023 upto November 26, 2028 (both days inclusive)

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. S. Padmanabhan (DIN: 00306299), Non-Executive, Non-Independent Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Dr. C.V. Natraj (DIN: 07132764) will complete his first term of five (5) years as Independent Director of the Company on August 7, 2024. On the recommendation of the Nomination & Remuneration Committee (NRC) and the

Board of Directors, the proposal for re-appointment of Dr. C. V. Natraj as Independent Director of the Company for a second term commencing from August 8, 2024 upto July 30, 2028 (i.e. till he attains the retirement age in line with the Retirement Policy adopted by the Company), is being included in the Notice of ensuing 85th AGM for approval of the Shareholders.

Mr. K. B. S. Anand (DIN: 03518282) will complete his first term of five (5) years as Independent Director of the Company on October 14, 2024. On the recommendation of the NRC and the Board of Directors, the proposal for re-appointment of Mr. K. B. S. Anand as Independent Director of the Company for a second term of five (5) years commencing from October 15, 2024 upto October 14, 2029 is being included in the Notice of ensuing 85th AGM for approval of the Shareholders.

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 as on March 31, 2024:

- Mr. R. Mukundan, Managing Director & CEO
- Mr. Nandakumar S. Tirumalai, Chief Financial Officer
- Mr. Rajiv Chandan, Chief General Counsel & Company Secretary

Procedure for Nomination and Appointment of Directors

The Nomination & Remuneration Committee (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 at Pune 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 on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

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

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole including the Chairman of the Board taking into account the views of Executive Directors and Non-Executive Directors. The NRC

reviewed the performance of the Board, its Committees and of the Individual Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and the NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

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

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 to be held in 2027.

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 2024-25.

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 85th 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, 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 2023-24 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, eight (8) 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 and 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 and 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, as amended 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, 2024 is available on the Company's website at <https://www.tatachemicals.com/MGT72024.pdf>.

31. Acknowledgements

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

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, April 29, 2024

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), focusing 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

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/CSR.htm>

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 conducts impact assessment of the eligible projects upon their completion in terms of the main rules, as amended.

During the year under review, the Company carried out an impact assessment of seven CSR projects that were implemented between FY 2020 – 21 and FY 2022 – 23 mainly through the implementing agency - Tata Chemicals Society for Rural Development (TCSRSD). The CSR projects of the Company during this time frame were focused on Agriculture and Livestock Management, Handicrafts and Cluster Development, Natural Resources Management and Environment Conservation, Health Care, Nutrition, Safe Drinking Water and Sanitation, Education, Skill Development and Women Empowerment. These interventions were largely carried out in the Okhamandal Block of Devbhoomi Dwarka District (Gujarat) and in some areas of Cuddalore District (Tamil Nadu) and Mambattu area of Tirupati District (Andhra Pradesh). These projects were under 4 thematic areas - Building Economic Capital, Ensuring Environmental Integrity, Enablers for Sustainable Development and Building Social Capital. The assessment was carried out by an independent agency - NuSocia (IN2X Sustainability Advisors Private Limited). A total of 3 Lakh + beneficiaries were positively impacted by these projects over 3 years from FY 2020–21 to FY 2022-23. The Impact Assessment Report of the study undertaken is uploaded on the website at: <https://www.tatachemicals.com/investors/investor-resources>.

Summary of the assessment report is as under:

I. Building Economic Capital

The initiatives under this are dedicated to fostering livelihood opportunities and improving the standard of living for rural households involved in farm and non-farm activities. The theme directly caters to SDG 1: No Poverty & SDG 2: Zero Hunger.

The project invested in capacity building of 1,292 farmers from more than 40 villages and introduced better agri practices, crop diversity, and water management practices, which resulted in an estimated additional income generation of 30-40% and improved family annual income. Additionally, the livestock interventions resulted in improved milk production (4-5%) and quality, with a reduction in cattle mortality and improvement in the breed variety, which will impact further with coming generations of offspring.

Non-farm based activities focused in the sectors of handicrafts, handloom weaving and entrepreneurship. The Okhai initiative and Cluster development had a transformative impact on women artisans in Gujarat and other parts of the country, empowering them socially and economically with artisans earning monthly incomes ranging from ₹ 5,000 to ₹ 15,000. One of the key achievements of the initiative has been the positive response from family members, who actively support women's involvement in livelihood activities. This support has increased women's autonomy in decision-making within their households.

II. Ensuring Environmental Integrity

The projects under environmental integrity aimed to address several key issues in the area, including environmental degradation following the 2006 tsunami, low coral reef cover at 12%, unintentional deaths of whale sharks, and enhancing awareness, sensitivity, and livelihoods of the local fishing community through several interventions. The interventions directly align to SDG 13: Climate Action, SDG 14: Life Below Water, SDG 15: Life on Land and SDG 7: Clean Energy.

The project facilitated the planting of 1,25,000 mangroves across 50 acres of land near Rukmini Temple Creek in Dwarka, expanded coral reef coverage by 1,701 square meters in Mithapur reef, engaged 10,000 fishermen in Veraval area for raising awareness to protect Whale Sharks and 25,000 school children in raising awareness about the importance of environment conservation. Along with this, intervention towards water conservation through Jal Dhan programs under which 444 small (farm ponds) and medium (community ponds & watershed) were constructed over 3 years. This has enabled farmers to take up multiple crops in a year, provided for the drinking water needs of humans and animals and helped in microclimatic conditions to positively impact the local environment.

III. Enablers for Sustainable Development

The Enablers for Sustainable Development highlights the interventions under themes of Health, Education, and Skill Development across multiple locations in Gujarat, Andhra Pradesh and Tamil Nadu. The interventions cater to SDG 3: Good Health & Wellbeing, SDG 4: Education, SDG 6: Clean Water & Sanitation and SDG 8: Decent Work & Economic Growth.

Within the Health initiative, a mobile medical van has been launched to address healthcare gaps in 22 villages of the Okhamandal block. This van reached an average of 50,000 people during the three years, offering crucial services like outpatient care, maternal and child health services, screenings, medical camps, and referrals to Mithapur PHC for hospital admissions.

Under Education initiative, tailored scholarships, village learning centres offering specialized tuition, and teacher training programs have provided enhanced learning opportunities. A total of 1,567 scholarships were distributed in the 3 years across the various scholarship initiatives, amounting to ₹ 49.84 lakh.

The Learning & Migration Program covered 8 districts of Gujarat, across 154 villages and schools. Subsequently, there was an expansion to 161 villages and 169 schools in 2022-23, indicating an increasing reach and engagement with communities over time. The students hail from Schedule Castes and Schedule Tribes, majorly from ST categories reflecting the efforts of the program towards historically disadvantaged groups and underscores the importance of addressing educational disparities among these communities.

In states like Gujarat, Tamil Nadu, Andhra Pradesh, Maharashtra, West Bengal, and Uttar Pradesh, diverse skill development courses were offered to meet current and future demands. These programs are delivered through its skill development centre in Mithapur, Gujarat, established in 2014, and in collaboration with institutions like Tata Strive, L&T Construction Training Institute, and Industrial Training Institutes (ITIs). The project has successfully achieved its goal of equipping youth across different regions with employable skills and facilitating their placement in various job opportunities. The Company's placement rate was ~65% during the three years.

Drinking Water & Sanitation initiatives encompassed a range of interventions aimed at improving water quality, increasing access to potable water sources and promoting sanitation practices within the community. The project successfully provided year-round safe drinking water to over 1,432 households via piped connections, supported 105 families with Roof Rainwater Harvesting systems and facilitated toilet construction for 154 families.

IV. Building Social Capital

Building Social Capital theme was focused on women empowerment interventions through Self Help Group (SHG) formations strategically designed to bolster women's confidence, develop their capabilities, instil financial literacy, promote savings and facilitate additional income generation opportunities. The theme aligns to SDG 5: Gender equality and SDG 10: Reduced inequality.

The initiatives reached over 3,010 women across 236 SHGs in 37 villages till 2023. TCSR provided 2,975 capacity-building trainings, offered social security schemes to 978 women and involved 620

women through the Hun Pan Digital initiative. Collectively, the women have saved ₹ 202.67 lakh from 2020-21 to 2022-23. Participation in the SHGs allowed women to break out of their comfort zones, acquire new skills and achieve independence. Engaging in economic activities and savings led to greater involvement of women in family decision-making processes and contributed to enhanced financial stability for their families. The assessment unequivocally affirmed the successful realization of these objectives through forming SHG groups and establishing several small enterprises, with the women wholeheartedly expressing satisfaction with the project interventions.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 860.04 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: ₹ 17.20 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)]: ₹ 17.20 crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 17.35 crore
- (b) Amount spent in Administrative Overheads: ₹ 0.10 crore
- (c) Amount spent on Impact Assessment, if applicable: ₹ 0.48 crore
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 17.94 crore
- (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
17.94	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	17.20
(ii)	Total amount spent for the Financial Year	17.94
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.74
(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)]	0.74

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							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

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, April 29, 2024

S. Padmanabhan
Chairman-CSR Committee
DIN: 00306299

Mumbai, April 29, 2024

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') projects were undertaken during FY 2023-24 in Mithapur:

- Reduce percentage undersize in high purity limestone
- Reduce undersize & oversize variations in low purity limestone
- Reduce downtime hours in terms of mechanical maintenance at Steam Tube Drier in Soda Ash
- Improve percentage Bromine recovery from discharged Bittern

In Soda Ash Plant at Mithapur:

- Replacement of Ammonia Still No. 1 stack cooler
- Ammonia Still –2 Preheater replacement (Under execution)
- Weak Liquor Distillation System Preheater redesign (Under execution)
- Efficient screening and recycle oversize Soda Ash Light product
- Variable Frequency Drive ('VFD') & belt weigh feeder installation in MOL charging apron conveyor
- Installation of Belt Conveyor from Main Drag Chain No. 1 to Steam Tube Dryer No. 1 for better availability
- Installation of Kiln cross silo dust collection conveyor to prevent dust spillage

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

- Steam trap inspection & replacement at Vacuum salt, CCG & Power plant to reduce steam loss
- R-equipping of Ejector vacuum system as per Quadruple effects

- Use of Solvent Softener at MUW#4 plant to reduce tube jamming at evaporators & increase its productivity

In Cement Plant at Mithapur:

- VFDs for cooler fans 2s, 4 & 5

Energy efficiency projects in Power Plant at Mithapur:

- Upgradation of energy monitoring system at Power plant
- CEHP –1 & 2 and HPB3 Boiler Feed pump VFD (Under execution)

Measures undertaken in Electrical Systems at Mithapur:

- Replacement of old motors with Energy-Efficient Motors
- 2,500 light points converted to LED to reduce power consumption
- 2 MW Solar plant for Township (Under commissioning)

In Nutra Plant at Mambattu:

- Installed condensate recovery system to recover the steam condensate from process
- Installed VFD in boiler to reduce the power consumption
- Installation of heat pipes in Classified Air Handling Unit's (AHU) to reduce Electrical and Thermal Energy
- Specific steam Consumption per tonne of product has been decreased from 17 to 13 annually
- Installed Rice Husk Blower Conveying to screw instead of Moving floor with annual saving of 50 MWH annually
- Implemented Time of Day (TOD) & Timers to HVAC systems which has the potential of savings of 250 MWH annually
- Flash Jet Pumps Installation for flash recovery & reusage to De-aerator in Boiler annually

In Silica Plant at Cuddalore:

- Increased capacity utilisation from 82% in FY 2022-23 to 100% in FY 2023-24 for tyre grade stream
- Installation of Heat exchanger for heat recovery in dissolver section to reduce steam consumption
- Improved filter press effectiveness resulting in reduced cycle time of operation and lower solid loss and subsequent reduction in power consumption
- Melter-Dissolution efficiency improved resulting in lower circulation time by 1 hour with reduction in power consumption
- Installed VFD in Reactor circulation pumps and liquefaction system with annual saving of 30 MWh

At Innovation Centre, Pune:

100 KW rooftop solar power panels installed in January 2022 led to energy production at

400-450 Kwh/day, contribution of 20% of the total energy consumption, and reduction in 185.4 tonnes of CO₂, during the year.

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

- 5,000 MT Biomass mixed with fossil fuel used in CFBC Boilers in Mithapur
- Plastic waste spent oil etc. used in Cement kiln in Mithapur plant
- Usage of groundnut shell (Biofuel) briquette at 20% mixed feed ratio in boiler and Coal Fired Hot Air Generator at Cuddalore (CFHAG)
- Roof top solar installation completed for 578 KW at Cuddalore
- Alternate Fuel Feasibility study for Business Continuity plant has evaluated and taken trial with Briquettes at Mambattu
- Spent Carbon Usage in boiler at Mambattu

(iii) Capital Investment on Energy Conservation Equipment's:

Sr. No.	Project Description	Capex Cost
₹ in crore		
In the Soda Ash Plant at Mithapur:		
1	AS-1 Stack Cooler replacement in Soda Ash Plant	2.02
2	AS-2 Preheater replacement in Soda Ash Plant	0.78
3	2 MW Solar Plant for Township	11.60
4	Energy Efficiency – VFD, Motors & Lighting	11.70
5	As a part of Energy reduction, inspection & replacement of Damaged Steam trap at Various plants of Mithapur	1.65
In the Silica Plant at Cuddalore:		
6	Roof Top Solar Project	4.50
7	Pipe in pipe heat exchanger	0.75
8	VFD installation for power saving	0.15
9	TG CFHAG skin tube replacement	1.00
10	Food Grade CFHAG skin tube replacement	1.00
In the Nutra Plant at Mambattu:		
11	AHU Heat Pipes	0.40
12	Flash Jet Pumps & Condensate Recovery	0.30
Total		35.85

B. Technology Absorption**(i) The efforts made towards Technology Absorption****At Mithapur:**

- New mechanical screw type Salt Washery plant is under execution
- Vertical Steam Jet Refrigeration (SJR) installed and commissioned in Soda Ash plant
- New GHH 643 Model Compressor 8 & 9 installed and are ready for commissioning
- New CFBC Boiler of 300 TPH capacity installed and commissioned
- New Turbines TT-1, LPT-2, TT-3 commissioned as part of Efficiency Improvement & Growth

At Mambattu:

- Conducted feasibility study for Aquatron technology of Liv Protech at lab scale level to treat the high Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) effluents that are generated from fermentation process. Initial trials are encouraging and further evaluation of Lab trials are being done in presence of the Company's representatives at Bangalore and portable equipment trials planned at site to evaluate the success rate of treating the effluent. Conducted feasibility study of Liv Protech technology for High COD treatment. First phase lab trials completed
- Spray Drier Scrubber Water recycle to collect the Water saving

At Cuddalore:

- Changes in Material of Construction (MOC) of Filter plates resulting in increased temperature withstand capacity and overall life
- Improved filtration effectiveness by monofilament type filter cloth replacement in TG stream for reduced cycle time and lower solid loss
- Solar sludge dryer installed for drying ETP generated solid waste

Technology absorption in on-going/upcoming projects**At Mithapur:**

- Cement packer has been upgraded with new digital technology
- Power BI dashboard created for visibility of production data & specific consumption of Soda ash, cement, MUW, Power plant & CCG
- Lime Kiln shell scanner & Burning zone camera has been upgraded with new technology
- Predictive analytics model implemented for critical fans like Preheater fan, Raw mill fan, Steam tube dryer (STD), & CO₂ compressor, etc.
- Bulk Scan installed for ESF cake flow measurement on the cake belt
- AI-based Video Analytics for cement bag counting job in progress
- Prescriptive analytic model for clinker quality enhancement has been initiated
- Mono hydrate steam trap digitisation
- Project Delta - Lime control Through IOT-DSS for Excess Lime control in effluent
- Project Delta-Lime kiln data analytics and Kiln discharge lime% improvements

At Cuddalore:

- Pearl dryer for manufacturing of micro pearl silica - Gen 2 silica
- Solid recovery system to enhance product recovery and reduced ETP load
- Auto-operated Quick closing door in dissolver operation to improve process safety and reduction in frequent steam leak
- Online condition monitoring of all critical equipment to reduce breakdown and improve MTBF MTTR
- Membrane filtration technology for filtration of precipitated silica in Pearl project
- Multi-fuel feeding technology in HAG for pearl dryer project using bio briquette

- QDMS (Quality Document Management System) and SAP HANA implementation planned
- Dust extraction system installation planned for reducing Fly ash escape from stack – FY25

At Mambattu

- Generative AI tool implementation for Boiler or Powder Packing
- Digital Twin project implementation for Spray drier, Sequential Simulated Moving Bed ('SSMB'), & HVAC
- Online BMR implementation for Process batches
- Online condition monitoring of all critical equipment to reduce breakdown and improve MTBF MTTR

(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 from Rice Husk Ash (RHA) manufactured by Indian supplier based in Nagpur (Maharashtra)
- Reduced variable cost of silica by exploring alternate vendors and reduction in specific consumption of sodium silicate (Cuddalore)
- Alternate fuel sources are being explored and implemented to reduce energy costs
- New Product Builtonic SC200 (Liquid) launched in June 2023 by utilising waste thickener overflow clear liquor
- Ground Granulated Blast Slag (GGBS) used as cement raw material to reduce clinker consumption in cement & thereby reduce cement variable cost
- Use of high ash coke & Siberian coal to reduce variable cost of soda ash

(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	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, (Mithapur)	Engineering of Decarbonator Technology (from Niochim)
(b) The year of import	2020-21	2021-22	2022-23	2022-23	2023-24
(c) Whether the technology has been fully absorbed	Yes	Yes	Yes	No	No
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	N.A.	N.A.	N.A.	Machinery is imported. It is yet to be installed and commissioned.	Machinery is imported. It is installed in Bicarb plant, to be commissioned in Q1FY25. Soda Ash Packing Machine is yet to be installed.

*TKIS - ThyssenKrupp Industrial Solutions

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

Particulars	₹ in crore	
	Year ended March 31, 2024	Year ended March 31, 2023
Capital expenditure	6	2
Revenue expenditure	28	26
Total R&D expenditure	34	28
Total R&D expenditure as a percentage of revenue from operations	0.78%	0.56%

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, 2024	Year ended March 31, 2023
Foreign exchange earned	267	121
Outgo of foreign exchange	547	1,128

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

DIN: 00121863

Mumbai, April 29, 2024

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 2023-24 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	11.15:1	1.36
Mr. S. Padmanabhan**	11.45:1	N.A.
Ms. Padmini Khare Kaicker	10.98:1	1.38
Dr. C. V. Natraj	10.83:1	0.93
Mr. K. B. S. Anand	9.35:1	1.08
Mr. Rajiv Dube	8.87:1	1.14
Executive Directors		
Mr. R. Mukundan, Managing Director & CEO	137.74:1	0.76
Mr. Zarir Langrana, Executive Director (upto February 29, 2024)#	73.43:1	2.61
Key Managerial Personnel		
Mr. Nandakumar S. Tirumalai, Chief Financial Officer	-	16.08
Mr. Rajiv Chandan, Chief General Counsel & Company Secretary	-	14.64

Note: Remuneration includes commission which relates to FY 2023-24 and which will be paid during FY 2024-25

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

**In line with the internal guidelines, no commission was paid to Mr. S. Padmanabhan, Non-Executive Director of the Company, for FY 2022-23 who was in full-time employment with other Tata company. However, Mr. Padmanabhan is eligible to receive commission from the Company for FY 2023-24 in view of his superannuation from Tata Sons Private Limited during the year. Hence, the percentage increase in remuneration over the previous year is not applicable.

#Remuneration is for part of the year and excludes retiral benefits.

B. Percentage increase in the median remuneration of employees in FY 2023-24: 8.09%

C. Number of permanent employees on the rolls of the Company as on March 31, 2024: 1,834

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)	19.36
Average increase in remuneration of managerial personnel	1.40*

*For the purpose of computation, the remuneration paid to Mr. Zarir Langrana, excluding the retiral benefits, has been included.

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, 2024

Annexure 4 to Board's Report

FORM MR-3

Secretarial Audit Report for the Financial Year ended March 31, 2024

[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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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, 2024 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;

- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 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)**
 - 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)**
 - 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)**
 - 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)**
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- Other laws applicable specifically to the Company namely:
 - 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: F000327F000260917
PR No.: 1129/2021

Mumbai, April 29, 2024

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: F000327F000260917
PR No.: 1129/2021

Mumbai, April 29, 2024

Management Discussion & Analysis

1. Business Environment

a. Global Economic Outlook

Global economic growth and trade flows expected to remain steady:

Global growth is forecasted to be range-bound between 2.6% and 3.1% in 2024. Growth is likely to increase at 3.2% in 2025. However, these projections are lower than historical average of 3.8% (2000-19) due to factors such as restrictive monetary policies, reduced fiscal support and low underlying productivity growth.

World trade growth is forecasted to be 3.3% in 2024 and to increase 3.6% in 2025. However, current trade growth is lower than historical average of 4.9% due to rising trade distortions and geoeconomic fragmentation. In 2024, oil prices are expected to decrease in the range of 2-2.5%, fuelling global trade.

Global inflation to decline driven by lower rates in advanced economies:

Global inflation is predicted to be at 5.8% in 2024 as against 6.8% in 2023. It is expected to further decrease to 4.4% in 2025. Advanced economies are anticipated to lower inflation faster, coming down to 2.6% in 2024 from 4.6% in 2023. Inflation in emerging market and developing economies is projected to remain at 8.1% in 2024, only a slight drop from 8.4% in 2023.

Energy: Crude Oil and Natural Gas prices expected to remain stable after a decline in 2023

Year 2023 witnessed fluctuating crude oil prices with declining trend, averaging US\$83/bbl, a decline from the US\$100/bbl in 2022. While OPEC+ reduced production in November 2023; increased output from Iran and US largely compensated for the reductions. China's ongoing economic deceleration and gradual shift to alternative sustainable energy sources are expected to keep crude oil prices in the range of US\$75 - US\$81 in 2024.

European natural gas prices are likely to fall by ~20% in 2024, largely due to demand contraction, particularly in industry. However, there will be periodic spikes owing to

market anxiety about the security of global supply chains, amid rising geopolitical tensions.

(Source: International Monetary Fund, Chief Economist Outlook by World Economic Forum)

b. India Economic Outlook

- Indian economy is projected to grow at 6.5% - 7% in FY 25. Strong growth in India is supported by robust domestic demand and growth in the manufacturing and services sectors
- Inflation Rate likely to decline from 5.4% in FY 2024-25 to 4.5% in FY 25. Bank repo rate is maintained at 6.5% in 6th consecutive meeting in February to bring down the inflation rate towards targeted 4%
- India's trade deficit showed considerable improvement in April-January 2023-24. Overall trade deficit for April-January 2023-24 is estimated at US\$ 70.43 billion as compared to the deficit of US\$ 111.99 billion during April-January 2022-23, registering a decline of 37.11%

- Capital expenditure for FY 2023-24 stands at 3% of GDP (₹ 10 lakh crore), indicating the Government's commitment to invest in the country's growth. Moreover, the Government has announced an even larger allocation of ₹ 11.11 lakh crore for next fiscal year (3.4% of GDP), which demonstrates their long-term vision for the economy. Of this amount, a considerable sum of ₹ 1.68 lakh crore has been earmarked for the Ministry of Chemicals and Fertilisers, reflecting the Government's emphasis on promoting the chemical and agriculture sectors. Overall, these budgetary allocations signal the Government's determination to accelerate economic growth and create a more prosperous and resilient India

(Source: Budget, RBI, S&P Global, PIB, Argus Seaborne Coal Outlook, CEA)

2. Chemical Industry

a. Global Chemical Industry

Global chemical production (excluding pharmaceuticals) is forecasted to increase by 2.7% in 2024, surpassing the