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 growth rate of the previous year (2023: +1.7%). Advanced economies are expected to see modest production growth following a significant decline in previous year (2024: +0.8%, 2023: –4.9%), while growth in emerging markets is anticipated to grow slightly (2024: +3.5%, 2023: +4.8%).

In China, the largest chemical market, lower but still notable growth in chemical production is expected at 4.0%. This growth is primarily driven by the consumer goods and electronics industries. Other emerging markets in Asia, are expected to gradually recover with India being the main growth contributor at 4.5%.

United States is anticipated to see a slight recovery in chemical demand (2024: +1.1%, 2023: –1.0%) after a year marked by destocking and weak industrial growth. Growth is expected across most customer industries in the manufacturing sector, with additional growth expected in the automotive industry. However, uncertainties remain due to high interest rates and the risk of recession, particularly in the construction sector.

In European Union (EU), despite challenges such as high cost levels and a weak economy, production is expected to stabilize at the current level (2024: +0.8%), factors such as lower gas prices and a slow recovery in demand for goods are expected to support chemical demand in Europe.

Global agrochemicals market experienced a decline in 2023 due to channel destocking, price corrections, and volatile weather. This trend is reflected in a 25% decrease in crop protection chemical exports from India and a steeper decline in Chinese exports, emphasising the industry-wide impact and the need for adaptation. Despite challenges, a gradual recovery is anticipated in 2024.

(Source: Chemical Processing, American Chemistry Council, C&EN Analysis by leading chemical companies, Expert Market Research)

b. Key Global Trends

Chemical industry is crucial to the global economy, serving sectors like agriculture, construction, automotive, FMCG, consumer durables, electronics, healthcare, and more. It is undergoing significant change due to mega trends like Sustainability, Supply Chain Resilience & Localisation and Digitalisation.

Sustainability is reshaping the way chemicals are produced and used. Chemical sector faces pressure to reduce its environmental impact and promote sustainable practices. It is also vital in providing sustainable products and services.

- As a 'hard to abate' sector, access to clean energy is essential for sustainability. Leading chemical companies are committed to reducing carbon emissions in line with the Paris Climate Accords, contributing significantly to low carbon energy investments
- In response to climate change concerns, regulatory frameworks are evolving, paving the way for the establishment of carbon markets to incentivise sustainability efforts within industries
- Alongside carbon emissions, reducing water usage is critical. Companies are striving for water neutrality through strategies like recycling, low water technologies, and Zero Liquid Discharge (ZLD) systems
- Developing sustainable chemicals and materials, guided by Green Chemistry principles, is a key trend. This involves creating renewable feedstock, eco-friendly processes, and ensuring waste is harmless. The demand for such products is projected to grow significantly in the coming years

Supply Chain resilience and localisation The industry's complex supply chain involves the production of chemicals, and encompasses multiple stages, including sourcing of raw materials, manufacturing, transportation and distribution. The pandemic exposed the vulnerability of supply chains in the chemical industry, causing delays and congestion in ports and rail transportation, and led to the creation of new local systems. Geopolitical conflicts in Europe and the Middle East, are furthering industry plans to develop local systems.

- US is promoting local manufacturing through introduction of Inflation Reduction Act (IRA)
- Transition from conventional to renewable energy is driving a shift towards localised energy production, significantly impacting the global supply chain dynamics
- E-commerce is becoming an increasingly important channel for chemical companies to reach customers. Online marketplaces and digital platforms are enabling companies to offer greater product visibility, pricing transparency, and more efficient ordering processes
- The Asia-Pacific region has become a key growth market for the chemical industry, with China, India, and Southeast Asia leading the way. Economic rebalancing of the global supply chain reinforces the attractiveness of India, which will remain one of the fastest growing chemical markets globally. With government support and schemes, companies are investing in local production and distribution networks to meet the growing demand

Digitalisation is revolutionising chemical industry, enhancing safety, efficiency, and productivity. Smart Factories, powered by Industry 4.0 technologies like automation, AI, and IIoT, are driving significant advancements.

- Digital tools such as remote monitoring, smart cameras, and VR/AR are improving safety metrics like TRIFR and PSI, while providing virtual training for emergency response
- AI is revolutionising chemical R&D, expediting compound discovery, optimising reactions, and predicting properties. It accelerates new product development and shortens timelines, boosting industry agility and competitiveness
- Automation is streamlining production, cutting manual labour, and reducing the risk of errors
- Digital twins are slashing capex and time by replicating physical assets or processes
- Blockchain is enhancing supply chain transparency and traceability in the chemical industry

(Source: Chemical Processing, American Chemistry Council, C&EN Analysis by leading chemical companies, Expert Market Research)

c. Indian Chemical Industry

India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). The Indian chemical industry stood at US$ 254 billion in 2023, and is expected to reach US$ 304 billion by 2025, registering a CAGR of 9%. The cumulative FDI equity inflow in the chemical industry reached US$ 21.71 billion from April 2000 to September 2023.

India saw no table improvement in its chemical trade balance (Chapters 28 to 38 excl. 37), with deficit dropping from US$15 billion in FY 2022-23 to US$2 billion in FY 2023-24. This is largely driven by 15% decrease in import volumes, falling from US$74 billion in FY 2022-23 to US$63 billion in FY 2023-24. Meanwhile, exports marginally increased from US$60 billion in FY 2022-23 to US$61 billion in FY 2023-24.

India is the 4th largest producer and 2nd largest exporter of Agrochemicals globally. In FY 2024-25, agrochemicals exports from India reached US$ 4.2 billion, dropped by 22% from FY 2022-23. India is fast emerging as major global manufacturing hub for agrochemicals due to low manufacturing cost, low labour cost, technically trained manpower, and high production capacity.

Interim Union Budget 2024-25, focusses on key trends like EV ecosystem adoption, scaling up renewable power installations, promoting chemical manufacturing for import substitution, fostering green chemical production, and encouraging decarbonisation. Tax reforms, PLI initiatives, and government expenditure align with these goals.

(Source: Interim Union Budget 2024-25, IBEF, Ministry of Commerce, Expert Market Research)

3. Company Overview

A part of the US$ 150 billion (revenue for FY 2022-23) Tata Group, Tata Chemicals Limited ('the Company' or 'Tata Chemicals') is a sustainable chemistry solutions Company. The Company operates through two verticals - Basic Chemistry (Alkali Chemicals - Soda Ash, Sodium Bicarbonate, Salt & other inorganic chemicals) and Specialty Products (Agrochemicals and Seeds, Silica, Prebiotics). The Company's product portfolio provides key ingredients to many of the world's leading brands for glass, detergents, pharma, food, animal feed, and other industries. The Company is a global major in Soda Ash and Sodium Bicarbonate (market position of 3rd and 5th respectively), with manufacturing facilities in India, US, UK and Kenya.

The specialty products vertical, with focus on Green Chemistry solutions, comprises Highly Dispersible Silica ('HDS') and Prebiotics. HDS was developed based on patented technology for rubber, food, feed, detergents and oral care applications. The Company has a domestic market leadership position in prebiotics, and has built a robust fermentation platform that provides attractive future growth opportunities. The flagship product fructo-oligosaccharide, is a prebiotic dietary fibre that promotes the growth of gut microbiome, and improves digestive and immune health.

Rallis India Limited ('Rallis'), a listed leading agri sciences company has a product portfolio offering comprehensive crop care solutions, including active ingredients and formulations for crop protection, crop nutrition, seeds and biopesticides. A strong distribution network, with over 7,200 dealers and 1,00,000 retailers, reaches a multitude of India's farmers, covering 80%

of the country's districts, and having export access to 60+ countries. It is a leading global manufacturer of active ingredients such as Acephate, Hexaconazole, Pendimethalin and Metribuzin. Rallis is expected to drive its growth through manufacturing capacity expansion and widening customer reach.

The Company's businesses are supported by the pillars of safety, sustainability, operational excellence, customer focus, innovation and digitalisation. The Company has committed to reducing its carbon footprint with focus on net neutrality. Its Carbon Capture and Utilisation (CCU) plant in the UK is already commissioned. It captures CO_2 emitted by the gas-powered energy system, and uses it as a feedstock to manufacture high purity sodium bicarbonate for the pharma and food industries.

The Company supports key communities with development models that are sustainable and scalable. It also promotes biodiversity in a significant way through plantation, ecosystem creation, species conservation, as well as water and resource conservation around its plants. The Company is focussed on initiatives like livelihood creation, capacity building, rural entrepreneurship development, market linkages, and enriching lifestyle through quality products and services. These initiatives are woven around core intervention areas that include empowerment of rural women, youth, farmers, providing safe drinking water, animal care and clean energy.

Innovation at Tata Chemicals is focussed on delivering value to the customers by integrating chemistry with other sciences. At present, the Company has three centres for innovation located in Pune and Bengaluru.

Operational excellence permeates every aspect of the Company's operations and its people. Cost reduction, faster resolution of customer issues, and world-class manufacturing are the mainstays of a culture of continuous improvement at the Company.

The Company is on an accelerated path towards digitalisation. By adopting several digital initiatives and new-age technologies like IIoT, remote sensing, automation, the Company is focussed on improving its manufacturing and process efficiencies.

4. Operational Performance

a. Tata Chemicals Overview

I. Annual Performance Overview

The Company achieved a consolidated revenue of ₹ 15,421 crore (8% decrease over FY 2022-23) and EBITDA of ₹ 2,847 crore (26% decrease over FY 2022-23).

Tata Chemicals Consolidated	FY 2023-24	FY 2022-23
Revenue from Operations	15,421	16,789
EBITDA	2,847	3,822
PBT	830	2,740
PAT	449	2,452

b. Basic Chemistry Products

Industry Structure & Developments

The Company serves customers across five continents through its Basic Chemistry Products ('BCP') business (soda ash, salt, sodium bicarbonate and other inorganic chemicals i.e. cement, bromine and caustic soda). The Company's global supply chain gives it the unique advantage of maintaining reliable supply and efficient service at competitive prices.

The Company has a soda ash capacity of 4.3 MMT. More than two-thirds of this is natural soda ash, located in Green River Basin, Wyoming, USA, where the world's largest deposits of Trona are situated, and in Lake Magadi in Kenya. In addition to having lower manufacturing costs, natural soda ash has a lower energy and environmental footprint. Synthetic soda ash and sodium bicarbonate are manufactured at Mithapur, India and Northwich, UK, to cater to their respective domestic and export markets.

I. Soda Ash

Overall, global demand for soda ash increased by 2.7% or 1.8 million tonnes in 2023. This was driven by mainland China and, in turn, by solar glass. According to industry estimates, global demand growth excluding mainland China and India was negative last year. In 2024, global demand (including China) is estimated to increase by 4.1% with world operating rates averaging 87% of capacity.

Demand for soda ash in China and Latin America continued to be driven by solar glass and lithium carbonate. The focus on green energy is leading to increased use of glass for solar panels and lithium carbonate for EV battery applications, resulting in strong demand growth for soda ash, which is a key ingredient in both of these sectors.

India's demand for soda ash recorded a marginal growth. With annual solar installations of 20–25 GW, solar glass is expected to remain a key growth driver. Reduction in supply chain costs and decline in global soda ash demand resulted in import parcels arriving at lower prices during the year.

Domestic production remained normal, with no major outages and moderate operating rates. Markets in India were oversupplied due to the strong influx of imports. Soda ash imports exceeded 10 lakh MT, a steep increase of ~80%. Domestic producers increased their exports to maintain production rates and market balance.

Coal prices were less volatile and lower, resulting in lower production costs. However, the price decline was higher compared to the lower production costs.

II. Sodium Bicarbonate

Sodium bicarbonate is a versatile product having a wide range of applications like food additives, animal feed, pharmaceuticals, dyes, textiles and industrial emission control. The Company believes that given its wide range of applications, sodium bicarbonate will sustain consistent growth, besides offering significant value addition potential in the future.

The Company has a combined annual capacity of 0.24 million tonnes in India and UK. During FY 2023-24, there was a robust 4.5% increase in demand for sodium bicarbonate. The continuing rise in demand for processed food products, pharmaceuticals, textiles, specialty chemicals, and animal feed is expected to drive a 6% to 7% compounded annual growth rate (CAGR) for bicarbonate in India over the next five years. The Indian bicarbonate capacity remained consistent in FY 2023-24, leading to a balanced overall demand-supply scenario.

III. Salt

Edible salt, as a crucial food ingredient, encountered no demand challenges in India. Sales of salt to our key customer, Tata Consumer Products Limited, sustained a healthy growth rate.

c. Specialty Products

I. Agrochemicals & Seeds

India is aspiring to become a developed nation by 2047 which means Country's per capita GNI of US$2,390 as of 2022 must rise by about 6 times for transformation into a developed nation as categorised by the World Bank. For inclusive development, the incomes of the larger population must rise substantially which will also contribute to improve the per capita GNI. The agriculture sector which engages nearly half of the working population and employs 80% of all economically active women in rural India, has a leading role to play in the envisaged economic transformation and collectively we need to address the farming challenges which are an impediment to sustainable farm income growth.

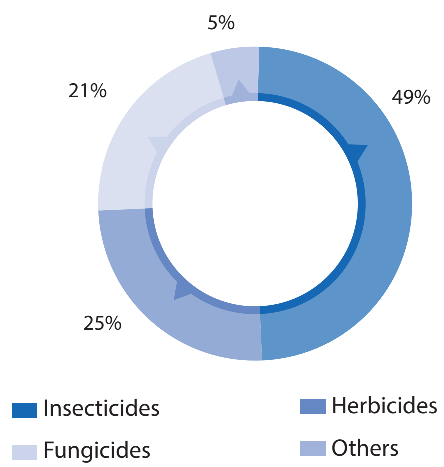
The Government's continued support for growth and productivity in agriculture is reflected in the interim budget which promises to strengthen agriculture value chains through technology adoption, provisions for food processing infrastructure, waste reduction, and crop insurance. Focus on mandi integration, self-reliance in edible oils and pulses, investments in post-harvest activities and Agriculture Accelerator Fund are expected to fast-track technology adoption aimed at food security and sustainable prosperity of agricultural ecosystem. Agrochemical and seed industry is expected to benefit from the emerging transformative agriculture scenario of the country.

Agrochemicals

India has emerged as a centre point of supply diversification strategy of global agro chemical industry players and this is expected to provide continued innovation and manufacturing-led growth opportunities for India which is now ranked 2nd in global agrochemicals exports.

The weather scenario dented the performance of the domestic agriculture sector during the fiscal year, as the country is expecting lower production in most crop segments. This led to lower liquidation of agrochemicals, which was also impacted by the price correction. Global challenges jolted agrochemical exports from India which is estimated to have degrown by around 25%.

Indian Agrochemicals usage pattern



Seeds

Emerging seed technology play an important role in addressing some of the agriculture challenges including that of climate change to drive growth of domestic seed industry.

Early promise of the Kharif season supported sustained demand for hybrid seeds in most of the crops and growth of the organised seed industry which largely deals with hybrid seeds, though an increasing trend towards improved varietal seeds has dented demand of hybrid paddy. The weather challenges have impacted the hybrid seed production which may pose availability challenges for upcoming agriculture season.

II. Specialty Silica

The Company has maintained its leadership position in the Specialty Silica segment, offering an extensive range of conventional and Highly Dispersible Silica (HDS) products. In FY 2023-24, Specialty Silica business witnessed several notable developments:

Market Resilience: Despite market fluctuations, the Company sustained its strong presence, with the overall demand for Specialty Silica products remaining resilient throughout the fiscal year.

Strategic Investments: The Company continued to invest strategically in its Specialty Silica operations, focussing on enhancing infrastructure, processes, and systems to ensure greater efficiency and consistent product quality. The Company consistently achieved 95% capacity utilisation for HDS production at its Cuddalore plant.

Sustainability Focus: In line with its sustainability objectives, the Company developed rice husk-based silica, aimed at addressing the growing demand for sustainable materials, particularly in the manufacturing of green tyres. This initiative underscores its commitment to environmental stewardship and its proactive approach to meeting evolving customer needs.

III. Prebiotics

The Company's Prebiotics business continued its trajectory of growth and innovation in FY 2023-24, with several key highlights:

Product Innovation: The Company introduced new product variants, including FOS-based sugar replacer blends and fat replacer blends, catering to the evolving needs of customers across various industries. These innovative solutions have further strengthened its position as a leading provider of prebiotic ingredients for human and animal nutrition.

Market Penetration: The Company successfully penetrated the pet nutrition market, securing repeat orders from pet food manufacturers who recognise the value of Fossence® in enhancing animal health. This achievement marks a significant milestone in the expansion of Prebiotics business into new application segments.

Certification Achievements: In FY 2023-24, Mambattu facility, where Fossence® is manufactured, obtained several key ISO certifications, including ISO 14001:2015 for environmental management, ISO 45001:2018 for occupational health and safety management, and ISO 9001:2015 for quality management systems. These certifications underscore the Company's commitment to responsible manufacturing practices, safety standards, and product quality across its Prebiotics & Formulations operations.

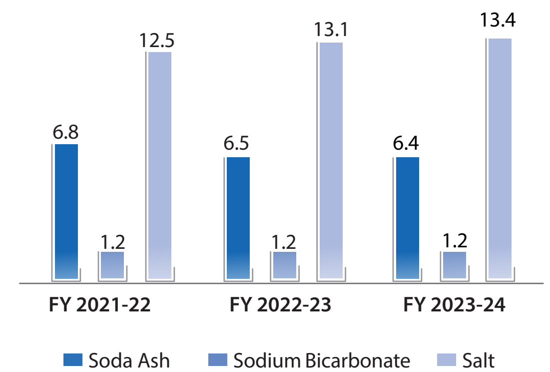
d. Entity-wise Performance

Tata Chemicals India (Standalone)

I. Operations

Sales trend of Basic Chemistry Products is as follows:

Tata Chemicals India - Basic Chemistry Products Sales Volume in lakh MT



Soda Ash sales were marginally impacted due to lower demand growth coupled with the excess pipeline inventories carried from FY 2022-23. The year also witnessed the highest ever imports of Soda Ash which grew ~70% over the previous financial year. This resulted in a sharp drop in prices and lower output from domestic producers. Manufacturing of Solar Salt, a key feedstock for Soda Ash and Edible Salt was affected due to brine dilution owing to the erratic rain and cyclone at Mithapur during June and July 2023. The Company was able to mitigate the impact of these headwinds with proactive planning, strong customer relationships, strict cost control, robust processes and leveraging synergy with Kenya operations. Rapid digitisation and proactive planning helped improve the plant productivity during the year.

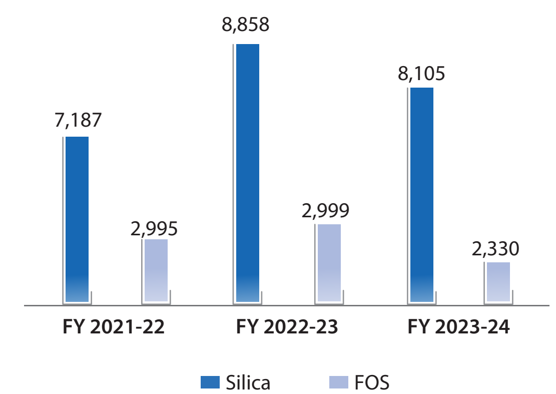
The Company is the largest producer of iodised edible salt in the country. The Company added 330 KT of incremental capacities through brownfield expansion in FY 2023-24 taking overall nameplate capacities to 1.6 million MT. Increased capacities and stable demand outlook helped record the highest ever sale of salt at 1.34 million MT during the year. The Company will continue to serve the growing demand of its key customer, Tata Consumer Product Limited (TCPL).

Demand for Sodium Bicarbonate, a derivative of Soda Ash remained stable for the year. The Company achieved a modest growth of 4% in 2023-24 with annual sales of 1.26 lakh MT. Focussed on expanding branded sale across food and feed segments helped mitigate impact on price reduction. The Company is also focussing on expanding usage of Sodium Bicarbonate in industrial flue gas treatment which can fuel further growth in India.

'Chem Connect', the Company's online customer portal and mobile app, remained at the forefront with user-friendly dashboard for ease of customer support, engagement and navigation. Customer engagement activities such as senior leader connect, annual reward and recognition events for channel partner, star club, knowledge-sharing sessions and 'Web Pe Charcha' were the hallmarks of staying connected with the customers and partners.

Sales trend of Specialty products is as follows:

Tata Chemicals India-Specialty Products Sales Volume in MT



Silica

Silica market across all segments saw stable demand for the year 2023-24. However, lower volume sales in the year was mainly attributed to shifting of production line from food grade to tyre grade. This caused lower capacity utilisation of 73% for the year.

Despite lower volume sales, the value realisation was higher as compared to FY 2022-23 mainly because of portfolio shift to higher grade HDS silica. The Company's primary focus will be to scale up differentiated high grade specialty Silica manufactured from Rice Husk Ash to fulfil its commitment of providing green sustainable products.

Prebiotics (FOS)

The Company is stabilising its manufacturing operations with range of grades targeted at both Indian and overseas customers. India demand is gradually picking up mainly in food and nutraceutical segments. However, the growth in the export market remains muted mainly due to long gestation period of product approvals and commercials. The Company is focussing on northeast and south east Asian markets with direct distribution and offering specific variants.

II. Financials (continuing operations) ₹ in crore

Tata Chemicals India	FY 2023-24	FY 2022-23
Revenue from Operations	4,384	4,930
EBITDA	875	1,235
PBT	1,016	1,265
PAT	896	1,027

Subsidiaries

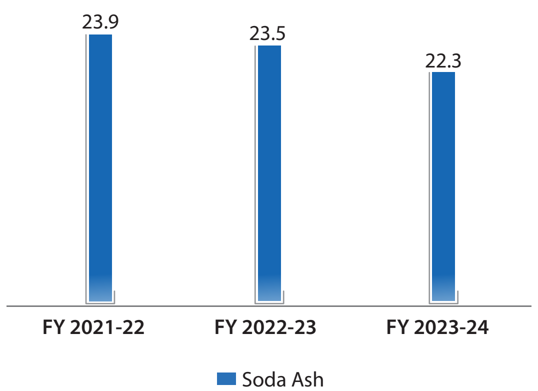
a. Basic Chemistry Products

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

I. Operations

Sales trend of Basic Chemistry Products is as follows:

TCNA Sales Volume in lakh MT



In FY 2023-24, sales volume declined by approximately 5% compared to the previous year. This is mainly attributed to weak domestic and export demand. Demand in North America contracted in 2023, mainly due to persistent high inflation, whereas exports from the USA increased marginally. Amidst muted domestic and global demand, capacity additions in the USA, China, and Turkey created a situation of oversupply, resulting in a sharp decline in domestic and export prices. As a result, revenue and EBITDA from operations in the USA declined in US Dollars (the revenue growth seen in ₹ crore in the table below is due to the impact of changes in foreign exchange rates).

Demand in the USA is expected to remain muted in FY 2024-25. The Company is focussing on setting up direct distribution networks in export markets for improved realisation. Efforts will continue to improve manufacturing efficiency, supported by enhanced operational efficiencies as well as capital improvements, to remain resilient in unfavourable operating conditions.

II. Financials (continuing operations) ₹ in crore

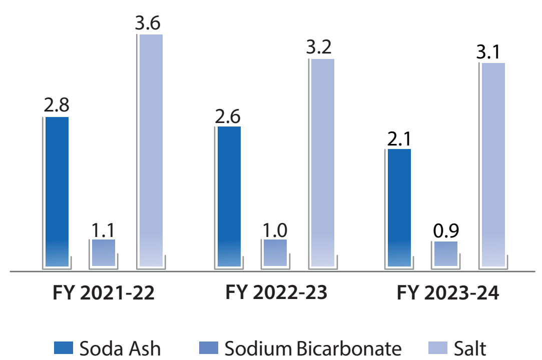
TCNA (USA)	FY 2023-24	FY 2022-23
Revenue from Operations	5,377	5,271
EBITDA	1,087	1,269
PBT	545	750
PAT after non-controlling interest	359	601

TCE Group Limited, UK ('TCE Group')

I. Operations

Sales trend of Basic Chemistry Products is as follows:

TCE Group Sales Volume in lakh MT



Soda ash demand in UK and EU was severely impacted mainly due to ongoing recession and geopolitical instability in central and eastern Europe. This resulted in demand contraction of key soda ash consumption sectors in UK i.e. container and flat glass. In addition, over supply of low cost Soda Ash from Turkey resulted in sharp decline in prices and EBITDA margins.

While overall demand for Sodium Bicarbonate and Salt remained stagnant, the growth was seen in value-added pharma and food grade variants of both the products as compared to technical grade for industrial applications. Company's focus is to maximise sale of its pharma grade Sodium Bicarbonate in Europe and key export markets. It is also commissioning a pharma grade salt plant from H1 FY 2024-25.

II. Financials (continuing operations) ₹ in crore

TCE Group (UK)	FY 2023-24	FY 2022-23
Revenue from Operations	2,404	2,629
EBITDA	347	615
PBT	(934)	382
PAT	(992)	435

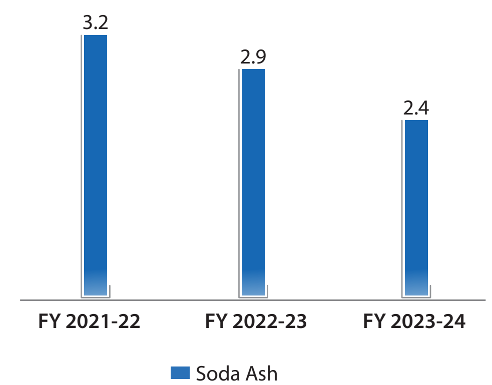
PBT and PAT includes one-time charge on account of impairment of mainly the soda ash plant at Lostock, UK of ₹ 963 crore.

Tata Chemicals Magadi Limited, Kenya ('TCML')

I. Operations

Sales trend of Basic Chemistry Products is as follows:

TCML Sales Volume in lakh MT



Soda Ash sale of TCML in Kenya was also impacted due to muted demand in key export markets of South East Asia and Indian Subcontinent. Demand in East and West African markets grew over 4% mainly driven by growth in Silicate and Container Glass sectors. However, demand in other markets such as South Africa, Indian Sub-continent (ISC) and South East Asia (SEA) saw lower growth and subdued pricing. Higher imports into ISC, SEA from US and Turkey at low prices resulted in lower realisations and volumes. Overall revenues declined by ~32% and EBITDA by ~55%.

II. Financials (continuing operations) ₹ in crore

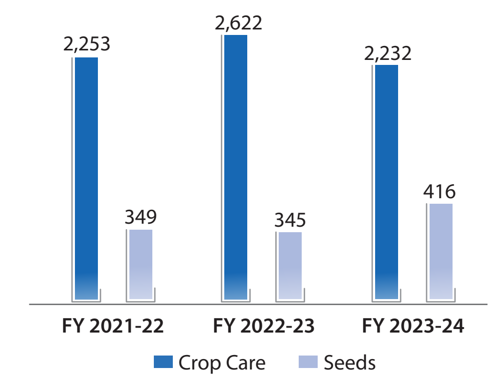
TCML (Kenya)	FY 2023-24	FY 2022-23
Revenue from Operations	640	945
EBITDA	211	468
PBT	201	439
PAT	134	450

b. Specialty Products

Rallis India Limited ('Rallis')

I. Operations:

Rallis Revenue ₹ in crore



Note: Excluding inter-Company transactions

Rallis India Limited, the Company's listed subsidiary, has a strong Brand and Chemistry play in the Agrochemicals sector. Rallis leverages its connect with the Indian farming community and sells various agro inputs to solve farmer needs. At the same time, Rallis uses its manufacturing capability and is one of the key manufacturing partners for global Agrochemical supply chain.

In terms of performance during FY 2023-24, Rallis achieved revenue from operations of ₹ 2,648 crore compared to ₹ 2,967 crore in FY 2022- 23, a decrease of 11%.

Crop Care business comprising domestic and exports businesses declined by ~15% as compared to FY 2022-23. Domestic Crop Care business grew volumetrically, but due to steep price corrections, it experienced an overall de-growth of 3%. The exports business, after a strong FY 2022-23, suffered due to inventory destocking and price drops across markets, resulting in an overall degrowth of 35%.

Seeds business bounced back after difficult last 2 years with volume-led growth of 21%.

Profit after tax stood at ₹ 148 crore compared to ₹ 92 crore in FY 2022-23. Performance in the previous year was also impacted due to impairment of technical know-how amounting and provision for slow moving inventory.

II. **Financials** ₹ in crore

Rallis	FY 2023-24	FY 2022-23
Revenue from Operations	2,648	2,967
EBITDA	312	219
PBT	196	128
PAT	148	92

Note: The figures are as per Tata Chemicals' consolidated books

5. Business Outlook

Following muted demand and sharp price reduction seen in 2023-24, the Company expects stable demand levels for the first half of 2024-25. Core portfolio led by Soda Ash will continue to grow in applications like Solar Glass, Lithium Carbonate, Flue Gas Treatment, and Glass Packaging. Despite stable demand, prices are expected to remain range-bound due to higher large capacity addition mainly in US and China. In addition to ~4.5 MMT capacities came in stream in 2023-24, ~1.5 MMT of new capacities are expected to come onstream in 2024-25.

Outlook for India-led specialty portfolio including Agrochemicals is expected to be positive. Company's specialty Silica business is growing demand in green labelling of tyres. Food & Beverages, Feed and Pharma sectors will continue to drive growth for nutrition and silica portfolio of the Company. With the prediction of normal monsoon, Rallis-led Agrochemicals business too is expected to see stable growth.

The Company remains focussed on delivering sustainable growth with expansion of its core and specialty portfolio and consolidating its market position. The Company will continue its journey to resilience by adding value-added products and variants, driving operational excellence and embedding sustainability in our business operations and products across geographies.

In India, while demand for Soda Ash is expected to recover, continued low-price imports and increasing energy and freight costs will necessitate an increased focus on operating rates and ongoing programmes for driving cost reductions and efficiencies. Recently added Soda Ash and Bicarbonate capacities at Mithapur will further drive growth.

A key focus area will be continuing push on expanding value-added sodium bicarbonate sales into the growing food, feed and pharma sectors, in line with the Company's transformation strategy and offering customers in these sectors a portfolio of products, including its Fossence® range of prebiotics.

Specialty grades of Silica targeted at rubber and tyre industry are seeing demand traction from customers. Company is focussed on expediting growth with rapid customer acquisition and expanding capacities.

The outlook for US domestic market remains stable while exports are expected to be in pressure with added mining capacities in 2023. Continuous improvement, cost reduction and sustainability in operations will remain areas of focus to drive margin improvement. Generating free cash flow remains a key area of focus.

Demand for Company's core products in UK, is expected to remain muted. The team is sharply focussed on expanding its value-added portfolio to be more resilient and sustainable. Sodium bicarbonate and Salt growth is being driven by focus and investment in high grade pharmaceutical applications. Pharma grade Bicarbonate plant is now self-sufficient in high purity carbon dioxide, having successfully commissioned the CCU plant. Pharma grade Salt with 70 KT capacity is expected to come onstream in the first half of current fiscal year.

Kenya will focus on developing the domestic East African market to maximise overall price realisation through strategic market mix. In addition, ensuring plant reliability as well as optimising costs would continue to be key result areas.

For Rallis, manufacturing capacity and introduction of new products will provide a growth platform for both exports business and domestic sales. Rallis is augmenting its product portfolio through co-marketing and in-house research & development (R&D). Manufacturing capacity is being augmented, marketing activities are being intensified and distribution networks are being strengthened in key states.

6. Risks and Opportunities

India Operations

In FY25, key risks include global recessionary pressure leading to demand slowdown, currency devaluation and changes in the export sector or imports from global markets. Extended monsoons, supply chain disruption due to rake availability, elevated energy costs due to higher coal and fuel cost, higher inflation, etc. are some other risks which need to be accounted for. Execution of expansion project, adherence to more stringent environmental norms, packaging and improving our safety performance in a sustainable manner are the other key challenges that it will continue to focus on during FY25. Carbon emissions taxation will impact cost of production. Rallis is developing a holistic carbon abatement strategy at a corporate level which will help in mitigating this risk. If pace of digitalisation and automation is not at par with the industry requirement it will negatively impact on companies' competitiveness and productivity.

Government focus on "Aatmanirbhar Bharat" opens opportunities in terms of demand pick up from infrastructure development, boost to domestic manufacturing through several initiatives like PLI's, import restriction measures and softer finance facilities. This will have a positive impact on Soda ash, Bicarbonate and Cement consumption either directly or through increase in demand of end segments. Governments' announcement in recent Interim budget on roof top solarisation of 10 million homes and allocation of resources will give stronger push for installation of PV modules and hence solar glass demand.

Bicarbonate use in flue gas treatments, though is a promising opportunity, but there remains uncertainty in consistent off-take by power plants. We expect the engagement to continue as the regulations are implemented.

Tata Consumers Products Limited (TCPL) continues to be a key customer for Iodised Salt. Enhancing production capacity of Salt, joint development projects with TCPL to reduce costs, working with TCPL on logistics options like coastal to maximise movements are some of the opportunities in this area. Production loss during monsoons due to brine dilution has led to increase in cost of production.

Coming to Silica, delay in product approval from major tyre & non-tyre customers will negatively impact our plant utilisation rates. Both technical (IC) and business development teams are engaging with critical customers on a constant basis to fast track our product approval and initiate commercial sales. Supply bottlenecks may emerge if approvals from multiple tyre accounts happen simultaneously. In terms of raw material sourcing, inadequate capacity/capability of local silicate suppliers may impact silicate sourcing cost.

The Company's HDS (Highly Dispersible Silica) has gained approval from key tyre customers. Replicating the same in other large accounts with whom the Company is working will give an opportunity to scale in high margin business. The Company is trying to reduce variable cost of production for Silica by local sourcing of low-cost raw materials and enhancing plant efficiencies through better process control.

In terms of FOS, shipment cost and its availability are becoming issues. Additionally, there is a higher production cost when operating at suboptimal capacity. The stabilisation of sugar costs in the international market might reduce demand for sugar solutions stabilised by FOS.

In FOS, B2B marketplace in USA has scaled up significantly and is expected to get us additional customers. The Company is working on some projects with major players for incorporation of FOS. In case these projects fructify, then it would be beneficial. Also, there is a possibility of supply disruptions out of Israel which will create some demand from competition.

In addition to enhanced ease of doing business; customer partnerships around themes of innovation and sustainability continue to offer opportunities for stronger customer connect. Increasing value-added products and sustainable supply chain practices like bulk material are some steps we will continue to focus on. Using technology to make processes smoother for customers and internal stakeholders is going to be crucial as we head into a digital age – multiple projects around plant and supply chain automation, customer relationship management are being implemented.

Using technology for digitalisation of the plants and making processes smoother for customers and internal stakeholders is going to be crucial as the Company heads into a digital age. Multiple projects around plant and supply chain automation, as well as customer relationship management are being implemented.

US Operations (TCNA)

In the US, age of equipment in plant may disrupt production and/ or increase maintenance spending. There is also talent acquisition risk related to ageing workforce and difficulty in hiring right talent due to market dynamics. Coal supply is primarily dependent on a sole-sourced entity, although alternate sources have been identified, the Company is planning to switch its coal only boilers (C/D Boilers) to a mixed fuel source (Coal/Gas) to reduce emissions and provide secondary source of energy supply from 2027 onwards. Longer term market softness, particularly in high volume export regions (such as South East Asia and LATAM) and continued aggressive pricing from competitors will put pressure on all US manufacturers. Further, risk of adverse US Corporate tax policy and ever tightening environmental policy announcements by the US Govt. administration may potentially restrict the ability of the business to maintain growth ambitions.

Inflation Reduction Act, 2022 and near shoring of supply chains offers opportunities to drive domestic / sales in North America , within Mexico and NAFTA.

UK Operations (TCE)

Soda Ash position was weak and will require action in FY25. Also, there is high inflation in UK economy (4% CPI) and continuing much higher bank base interest rates (5.5%).

From an opportunity perspective, we have a new warehouse for high grade salt. Our first pharmaceutical salt will come up for early testing and evaluation will take place during Q2 FY25. Further, continuing growth of EcoKarb® opportunities in global markets will also help us in growing our business.

Kenya Operations (TCML)

TCML's soda ash market may face certain competition from different competitors depending on location. Certain risks due to quality of soda ash, still remains a challenge necessitating a niche in container glass and the silicate sector. This shall be mitigated with stringent quality controls and roll out of production of pure ash.

However, the African market has presented opportunities for growth and TCML will refocus to grow market share. Further, energy saving through solar power and innovation shall continue to help reduce the costs of production which is critical to helping TCML remain favourable on cost leadership. We are also carrying out feasibility studies on edible salt production.

Rallis

Rallis has a robust and comprehensive framework to address the vagaries of monsoon and its impact on India's agriculture sector through deeper engagement with farmers. In addition, the steep increase in input costs is being addressed through combination of localisation of intermediates, and appropriate engagement and contracting with suppliers. Increased domestic usage of agrochemicals and exports out of India are immediate opportunities. The long-term trend of shift to biologics remains an area of product development focus.

7. Financial Performance

(A) Standalone performance for the year ended March 31, 2024

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change	Remarks
Revenue from operations	4,384	4,930	(546)	(11)	Mainly due to reduction in Soda Ash prices and volume across different markets.
Other income	383	301	82	27	Other income has increased mainly on account of higher dividend received from non-current investments made and interest received along with income tax refund.
Cost of materials consumed	1,003	1,138	(135)	(12)	Cost of materials is lower due to lower input costs of raw materials and lower procurement.
Purchases of stock-in-trade	86	130	(44)	(34)	Purchases of stock-in-trade decreased mainly on account of lower opportunities for nutrition solutions related business.
Power and fuel	1,015	1,188	(173)	(15)	Decrease in power and fuel cost is mainly on account of lower consumption of coal.
Employee benefit expenses	299	274	25	9	Overall employee costs have gone up mainly due to higher actuarial valuation impact and increments given during the year.
Freight and forwarding expenses	514	527	(13)	(2)	Freight and forwarding charges have decreased majorly due to lower sales.
Finance costs	49	26	23	88	Finance costs increased majorly on account of interest on working capital loan and lease liability.

(B) Standalone Balance Sheet Analysis

1. Investments:

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Investments in equity instruments in subsidiaries	3,813	3,607	206	6
Investment in joint venture	336	336	-	-
Investment in preference shares in subsidiaries	1,160	750	410	55
Investment in other companies*	7,479	4,889	2,590	53
Investments in non-convertible debentures	-	39	(39)	(100)
Investment in mutual funds	368	1,010	(642)	(64)
Investment in perpetual instruments	150	150	-	-
Total Investment	**13,306**	**10,781**	**2,525**	**23**

** Increase in the value of investments in other companies is due to changes in fair value of investments*

2. Inventories:

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Inventories	939	1,203	(264)	(22)

Inventories are lower primarily due to lower prices on inventory of raw materials and coal.

3. Trade Receivables:

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Trade receivables	232	201	31	15

Trade receivables are higher primarily due to the higher sales during March 2024 quarter.

4. Loans, other financial assets, advance tax assets (net) and other assets:

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Loans*	-	325	(325)	(100)
Other financial assets	28	26	2	8
Advance tax assets (net)	760	667	93	14
Other assets	285	295	(10)	(3)
Total	**1,073**	**1,313**	**(240)**	**(18)**

** inter-corporate deposits made / redeemed during the year.*

Decrease in total assets is mainly due to redemption of inter-corporate deposits and additional taxes paid.

5. Borrowings (net)/ Cash & Cash Equivalent (net)

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Borrowings	30	-	30	100
Lease liabilities	85	-	85	100
Total Borrowings	**115**	-	**115**	**100**
Cash and cash equivalent (including Bank balances)	52	85	(33)	(39)
(Borrowings (net) / Cash and Cash equivalent (net)	**(63)**	**85**	**(148)**	**(174)**

Borrowings increased mainly due to new working capital loan and new lease arrangements.

6. Trade payables, other financial liabilities, other liabilities, provisions, current tax liabilities (net) and deferred tax liabilities (net)

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Trade payables	562	698	(136)	(19)
Other financial liabilities	273	256	17	7
Other liabilities	92	89	3	3
Provisions	256	372	(116)	(31)
Current tax liabilities (tax)	21	91	(70)	(77)
Deferred tax liabilities (net)	743	390	353	91
Total	**1,947**	**1,896**	**51**	**3**

Increase in deferred tax liabilities (net) is mainly due to increase in fair value of non-current investments. Decrease in trade payables is mainly due to regular payment as per terms of the business.

(C) Standalone Cash flow analysis

₹ in crore

Particulars	FY 2023-24	FY 2022-23
Cash from operating activities	806	885
Cash from investing activities	(351)	(558)
Cash from financing activities	(458)	(332)

Net cash flow from operating activities: Lower operating cash flow in FY 2023-24 against FY 2022-23 is mainly on account of lower sales and profit.

Net cash flow from investing activities: Lower investing cash outflows in FY 2023-24 is mainly on account of redemption of current investments.

Net cash flow from financing activities: Higher cash outflow in FY 2023-24 is mainly on account of dividend paid.

(D) Details of significant changes in key Standalone financial ratios:

1. **Interest Coverage Ratio (%)** of the Company has decreased to 20% (FY 2022-23: 50%) due to decrease in revenue, lower profit from operations and new borrowing arrangement made during the year.
2. **Debt Equity Ratio (%)** of the Company has increased to 0.006% (FY 2022-23: Nil) due to short-term borrowing taken and new lease entered during the year for meeting business requirements.
3. **Current Ratio (times)** of the Company has decreased to 1.62 (FY 2022-23: 2.20) due to Cash and Bank balance and other surplus funds used in acquiring property, plant and equipment (including capital work-in-progress).

(E) Consolidated performance for the year ended March 31, 2024:

i. Revenue from operations

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals Limited ('Tata Chemicals'), India	4,384	4,930	(546)	(11)
Tata Chemicals North America Inc. ('TCNA'), USA	5,377	5,271	106	2
TCE Group Limited - Consolidated ('TCE Group'), UK	2,404	2,629	(225)	(9)
Tata Chemicals Magadi Limited ('TCML'), Kenya	640	945	(305)	(32)
Rallis India Limited ('Rallis'), India	2,648	2,967	(319)	(11)
Others and Eliminations	(32)	47	(79)	(168)
Total	**15,421**	**16,789**	**(1368)**	**(8)**

a. Basic Chemistry Products: Lower sales price of soda ash across all geographies offset by increase in average exchange rate of USD/INR.

b. Specialty products: Lower volumes at Rallis.

ii. Cost of materials consumed

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	1,003	1,138	(135)	(12)
TCE Group, UK	371	246	125	51
Rallis, India	1,349	1,592	(243)	(15)
Others and Eliminations	(13)	(29)	16	(55)
Total	**2,710**	**2,947**	**(237)**	**(8)**

Cost of Materials consumed decreased primarily at Tata Chemicals and Rallis due to lower volumes and price mix. In case of TCNA and TCML, raw materials are primarily mined and do not involve external purchases and hence not reflected in cost of materials consumed.

iii. Purchases of stock-in-trade

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	86	130	(44)	(34)
TCNA, USA	16	26	(10)	(38)
Rallis, India	201	158	43	27
Others and Eliminations	(71)	50	(121)	(242)
Total	**232**	**364**	**(132)**	**(36)**

Lower purchase of stock in trade is due to Lower volumes in Tata Chemicals and TCNA and increase in Rallis is due to higher volume.

iv. Power and fuel

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	1,015	1,188	(173)	(15)
TCE Group, UK	940	960	(20)	(2)
TCNA, USA	525	610	(85)	(14)
TCML, Kenya	110	136	(26)	(19)
Rallis, India	83	94	(11)	(12)
Total	**2,673**	**2,988**	**(315)**	**(11)**

Power and fuel costs have decreased in all geographies on account of lower input fuel cost.

v. Employee benefit costs

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	299	274	25	9
TCE Group, UK	228	224	4	2
TCML, Kenya	67	65	2	3
TCNA, USA	1,000	868	132	15
Rallis	262	256	6	2
Others	4	4	-	-
Total	**1,860**	**1,691**	**169**	**10**

Employee costs increased due to hiring & salary increase in TCNA, Tata Chemicals and Rallis.

vi. Freight and forwarding charges

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	514	527	(13)	(2)
TCE Group, UK	187	194	(7)	(4)
TCML, Kenya	63	118	(55)	(47)
TCNA, USA	1,421	1,245	176	14
Rallis	79	98	(19)	(19)
Others	4	2	2	100
Total	**2,268**	**2,184**	**84**	**4**

Freight and forwarding charges have increased mainly in TCNA due to direct sale to few customer in export market offset by reduction in volume in TCL, TCE and TCML.

vii. Finance costs

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	49	26	23	88
TCE Group, UK	155	90	65	72
TCML, Kenya	1	9	(8)	(89)
TCNA, USA	195	167	28	17
Rallis	18	12	6	50
Others and Eliminations	112	102	10	10
Total	**530**	**406**	**124**	**31**

Increase in finance cost in TCE/TCNA due to increase in SONIA/SOFR rate.

viii. Other expenses

₹ in crore

Entity	FY 2023-24	FY 2022-23	Change	% Change
Tata Chemicals, India	568	545	23	4
TCE Group, UK	448	391	57	15
TCML, Kenya	195	176	19	11
TCNA, USA	1,415	1,225	190	16
Rallis	433	467	(34)	(7)
Others and Eliminations	13	17	(4)	(24)
Total	**3,072**	**2,821**	**251**	**9**

ix. Other expenses represent the following

₹ in crore

Particulars	FY 2023-24	FY 2022-23	Change	% Change
Stores and spares consumed	355	348	7	2
Packing materials consumed	276	318	(42)	(13)
Repairs	732	593	139	23
Rent	42	50	(8)	(16)
Royalty, rates and taxes	524	518	6	1
Distributor's service charges and sales promotion	119	140	(21)	(15)
Others(*)	1,024	854	170	20
Total	**3,072**	**2,821**	**251**	**9**

**Others include insurance charges, professional fees, foreign exchange loss, travelling expense, provision for doubtful debts and advances, directors' fees / commission, subcontracting cost, outsourcing cost and other expenses.*

(F) Details of significant changes in key consolidated financial ratios:

1. **Interest Coverage Ratio (times)** of the Group has decreased to 4.06 (FY 2022-23: 7.75) due to decrease in revenue from operations (primarily sales price reduction) and earning before interest and tax across geography.

2. **Current Ratio (times)** of the Group has decreased to 1.05 (FY 2022-23: 1.66) is mainly due to increase in Current borrowing and lease liabilities to ₹ 2,274 crore (FY 2022-23: ₹ 619 crore).

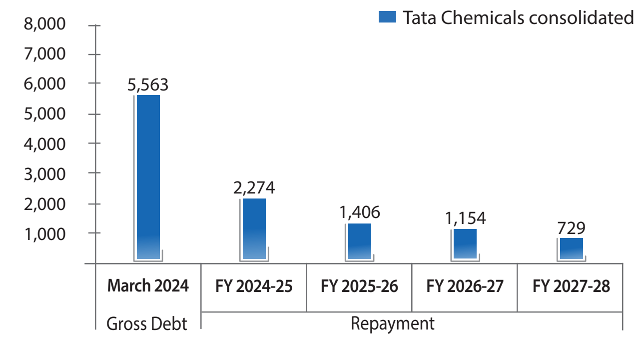
3. **Net Profit Margin (%)** of the Company has decreased to 8.56% (FY 2022-23: 14.70%) due to decrease in revenue and profit from operations across geography (primarily sales price reduction).

4. **Return on Net Worth (%)** of the Company has decreased to 1.99% (FY 2022-23: 12.23%) due to decrease in revenue and profit from operations across geography (primarily sales price reduction) and exceptional loss (net) of ₹ 861 crore.

(G) Total Debt and Amortisation Schedule

Repayment schedule of existing debt

₹ in crore



Notes:

1. *Gross debt of ₹ 5,563 crore includes ₹ 498 crore of working capital loans/short-term borrowings.*
2. *The repayment schedule for term loans has been prepared considering the existing repayment terms. Some of these loans/facilities may be refinanced/pre-paid, in full or in part, from time to time in future depending on the requirement and the business plans. Non-current portion of finance leases has been included in FY 2025-26 repayment.*

8. Innovation and Technology

Innovation Centre

The Innovation Centre ('IC') at Pune is the Company's science and technology hub for seeding new businesses and accelerating the Company's sustainable long-term growth. IC supports the Company's businesses by providing cutting-edge technology solutions, and a customer-centric, multi-disciplinary problem-solving approach for sustainable growth and differentiation. The Company has filed 215 patent applications (cumulative) with 146 patent grants.

During the year, IC made significant contributions to the development of green highly dispersible silica (HDS), functional silica and environment-friendly process for bio-based surfactants, increased yield of bioactives in medicinal plants through Aeroponics. IC also developed new FOS variants and co-created innovative applications of FOS with customers. The Company won the prestigious grand award at the CII's Industrial Innovation Awards and also ranked amongst India's top 50 Innovative Companies (Large) in Manufacturing (category winner). The Company received award for its Intellectual Property ('IP') practices and portfolio.

9. Digitalisation and Information Technology

Demonstrating our commitment towards digital excellence, the Company outlined key initiatives for our digitalisation journey in FY 2024-25. The Company regularly reviews IT and digital transformation strategy to align with industry trends and business needs, fostering digital adoption across all functions of the business.

The Company's focus would be on unleashing data's full power, scaling its data lake, generating predictive insights, and empowering every employee with data-driven excellence. The SAP S4 HANA implementation in current fiscal will play a major role in modernising our processes. The Company will deploy technology for a modern workflow platform, digitising systems and enhancing collaboration, productivity, and future agility.

Scaling Industrial IoT across manufacturing will enhance efficiencies and reduce unplanned downtime, leveraging "Process Twins" for variability and "Asset Twins" for maintenance. Supplier collaboration and export/import management systems will boost partner engagement and streamline operations.

Usage of AI/ML to drive "Zero Harm" would be front and centre. Further, upgraded CRM solutions are being planned to improve customer engagement. ESG reporting will improve with advanced digitisation and analytics, meeting BRSR requirements. Cybersecurity measures will include OT protection, firewalls, monitoring, compliance, encryption, testing, and training.

Rallis continues its commitment to leveraging digital and analytics solutions, providing agility and excellence in business operations. Notably, Rallis has enhanced its cutting-edge 'DRISHTI' decision intelligence system, incorporating Spaceborne Remote Sensing and Artificial Intelligence technologies to extend its coverage to Tea Gardens. Rallis' innovative efforts have been recognised with the prestigious Award of Merit at the 1st CII National Awards for Artificial Intelligence 2023, specifically honouring the DRISHTI initiative. Furthermore, the Company has bolstered its supply chain by implementing Integrated Business Planning (IBP) and Transportation Management System (TMS).

10. Human Resources

The business environment is undergoing rapid evolution characterised by unprecedented technological advancements, disruptions in supply chains, changing demographics, and dynamic economic factors.

The Company persisted in developing skills and capabilities aligned to the 'Learning Architecture'. Various structured programmes such as INVEST (Increase Value, Enhance Skills for Tomorrow), 'Coach and Nurture' Programme, 'Mastering Effective Performance Conversations', 'Breakthrough Series for Shopfloor Women' were instrumental in nurturing leadership and managerial capabilities. Additionally, our 'Transcend' programme focussed on advancing skills such as generative AI, machine learning, IIOT, data analytics, and more, for our digital champions. Plant operations and functions were supported by functional capability programmes, complemented by centrally administered virtual training sessions covering topics like POSH (Prevention of Sexual Harassment), ABAC (Anti-Bribery & Anti-Corruption), Ethics, Diversity & Inclusion (D&I), and others. Our enriched eLearning platforms, including Tata Tomorrow University, LinkedIn Learning, and Global Gyan, empowered our workforce with ongoing learning opportunities, enabling them to enhance their skills and aligned to their adapt to their job roles and career aspirations.

As part of our dedication to enhancing workforce diversity, the Company celebrate's D&I (Diversity and Inclusion) month to foster inclusive behaviours within our organisation. Through a series of workshops, discussions, and initiatives, it aims to raise awareness, challenge biases, and inspire action towards building a more inclusive culture. This year again it was able to maintain a gender balance in our Graduate Engineer Trainee hiring from campus a view to build a robust pipeline of engineers for production units. Presently, all the Company's manufacturing sites in TCL India have women employees across all three shifts.

This year, the Company initiated efforts to expand myWOW (My World of Work) HR platform to its global entities, aiming for a unified source of HR information, alignment on key people processes, better employee experience and effective talent management practices.

The "We Care" Programme addresses the holistic well-being of employees and their families, focussing on psychological, physical, emotional, and financial wellness. Regular communication from leaders, town halls, team connections, rewards and recognition and amendments to policies were implemented to ensure employees remained engaged and motivated.

The details of number of the employees as on March 31, 2024 are given on page no. 59 of this Integrated Annual Report.

11. Safety and Health

At Tata Chemicals, safety isn't just a priority but a core value. The Company aspires to be a benchmark for safety in the Chemical industry. Our safety programme prioritises a culture of accountability, with leadership demonstrating a visible commitment to upholding Company policies and practices. This management-driven initiative fosters continuous improvement in safety standards and facilities. Furthermore, we emphasise active stakeholder participation. Through comprehensive training, all personnel gain a clear understanding of potential risks associated with the activities.

To ensure effective oversight of the Tata Chemicals Group's sustainability and safety practices, the Board has established a dedicated Safety, Health, Environment and Sustainability (SHES) Committee which is responsible for reviewing and monitoring the Tata Chemicals' policies and activities. The SHES Committee plays a key role in guiding management by proactively integrating safety and sustainability considerations into strategic initiatives, budgeting, audits and improvement plans.

Tata Chemicals is firmly committed to the safety, health, and well-being of all stakeholders. This commitment is reflected in our comprehensive Safety, Health, and Environment (SHE) Policy. This policy framework ensures alignment across all sites and subsidiaries. Individual locations may adopt the Corporate SHE Policy directly or develop their own versions that adhere to both the Corporate Policy and local regulations. The Corporate SHE Policy integrates seamlessly with other key documents, including the Group Safety Policy, Consequence Management guidelines, Corporate Sustainability framework, Corporate Mission, Vision & Values, Responsible Care guidelines, and International Labour Organisation (ILO) standards.

Our commitment to safety extends beyond regulatory compliance. We leverage a comprehensive set of voluntary standards, such as e Process Safety and Risk Management (PSRM), ISO 45001, ISO 14001, Responsible Care, and British Safety Council guidelines. This allows us to benchmark our SHE practices against industry best practices and refine our safety management system. Our safety culture thrives on a top-down approach. Senior management leads by example, actively fostering a safety-conscious workforce. Employees receive specialised training to identify and mitigate potential hazards. Senior leadership demonstrates a visible commitment to safety through programmes like Safety Felt Leadership. This empowers leaders to take ownership of safety within their teams and drive continuous improvement. Monthly reviews by the Managing Director on risk and action plans further emphasise the Company's dedication to a safe work environment.

To create a culture of safety, Company encourages employees to identify and report potential hazards, near-misses and unsafe behaviours using digital tools. Process Safety and Risk Management (PSRM) programme is implemented at sites to proactively manage potential risks associated the manufacturing processes. Additionally, Contractor Safety Management programme is in place for contractors working on-site to adhere to the same safety standards as Company employee. To address health risks, the Company conducts periodic industrial hygiene assessments and medical check-ups, further prioritises employee well-being by providing adequate medical facilities on-site and establishing partnerships with specialised healthcare providers.

Tata Chemicals utilises a "Serious Injury and Fatality (SIF) Potential Approach" within accident prevention programme. This proactive approach goes beyond standard safety measures to identify and address potential hazards before they cause serious harm. Additionally, the Company tracks leading indicators under Process Safety Indicators (PSI) elements to measure progress and identify areas for improvement. Annual targets are set based on organisational needs and past performance. Tata Chemicals is also actively investing in digitisation and data analytics to assist individual units in forecasting potential safety vulnerabilities. Over the past 13 years, the Company has reduced its TRIFR by 71%.

12. Sustainability

At the Company, sustainability is aligned with the UN Sustainable Development Goals, and the Environmental, Social and Governance principles are integrated into its business. Tata Chemicals' sustainability framework is designed along the axis of Materiality and Responsible Care.

Aligned to Tata Group's sustainability policy and ambition as articulated in its Project Aalingana, Tata Chemicals has articulated its sustainability policy and is taking actions towards three key themes – Climate change and emissions, Circular economy and Resources (Water, material and waste) management, and Preserving nature and biodiversity.

On the path of decarbonisation, the Company has committed to achieving net zero emissions. In line with its commitment, the Company has initiated various levers on shifting to low emission/carbon neutral fuels, enhancing energy efficiencies, use of renewable energy and carbon capture and utilisation, with several more in the pipeline.

The Company has committed to becoming water positive and zero solid waste to landfill. As part of its efforts to promote sustainable growth through circular economy, it has adopted the 3R (Reuse, Recycle and Reduce) strategy at its manufacturing facilities.

The Company has committed to net zero impact on biodiversity, and to conservation strengthening of biodiversity around its operations. Its focus is on coastal and marine ecosystem.

The Company has developed an internal tool (Responsible Manufacturing Index) to monitor key sustainability indicators on a monthly basis.

Tata Chemicals uses frameworks such as ISO 14001, OHSAS 18001, Global Reporting Initiative ('GRI'), Carbon Disclosure Project ('CDP'), International Integrated Reporting Council ('IIRC'), United Nations Global Compact ('UNGC'), Science Based Target initiatives (SBTi) and India Business & Biodiversity Initiative (IBBI) reporting to disclose and share its performance with stakeholders. This allows the Company to get feedback from the stakeholders and engage with the key customers under supply chain programmes.

Integrated Report

The Company has adopted the IIRC framework to establish integrated reporting within the mainstream business. In accordance with the IIRC Framework, the Company has included an Integrated Report <IR>. Being a global company, the Company seeks to provide a concise and integrated account of how its strategy, governance, performance and prospects are delivering on its core purpose. The <IR> encompasses all key financial and non-financial performance indicators which are material to the Company as per GRI, UNGC and CDP. It plays a crucial role in establishing the linkages between environmental and social sustainability, as well as the financial growth of the organisation. The <IR> contains assured sustainability data for FY 2023-24 for entities across the enterprise. The financial information has been audited by B S R & Co. LLP, and the non-financial information has been assured by KPMG Assurance and Consulting Services LLP.

13. Business Excellence

The Company remains committed to continually raising the bar on performance in all aspects of its business. The Tata Business Excellence Model ('TBEM') serves as a pivotal framework that allows the Company to gain insights into its performance, and establish continuous improvement initiatives for attaining superior business results and maximising satisfaction and value for the customers. The TBEM framework comprises six core areas of business excellence: Leadership, Strategic Planning, Customer Focus, Analysis and Knowledge Management, Workforce Focus, and Process Management. For the Company, a global organisation that has its manufacturing operations spread across four continents with diverse business segments and employees from different cultures, TBEM serves as a platform to establish a consistent standard of excellence. The Company participated in the Tata Group level TBEM assessment in 2021 and achieved a coveted Industry Leader status and will participate again in the assessments in 2024-25. This affirms the Company's commitment to strengthening the culture of excellence and progress towards becoming a world-class organisation.

14. Internal Controls

The Company has an independent Internal Audit function with a well-established risk management framework. The scope and authority of the Internal Audit function is derived from the Internal Audit Charter approved by the Audit Committee. The Company has engaged a reputable external firm to support the Internal Audit function for carrying out the Internal Audit reviews.

Reviews are conducted on an ongoing basis based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of each year. The Internal Audit team reviews and reports to the management and the Audit Committee about compliance with internal controls, and the efficiency and effectiveness of operations as well as the key process risks.

The Audit Committee meets every quarter to review and discuss the various Internal Audit reports, and follow up on action plans of past significant audit issues and compliance with the audit plan.

15. Risk Management Framework

The Company has constituted a robust governance structure consisting of five levels such as risk owners, Risk Management Group (RMG) at BU level, RMG at senior leadership level, Risk Management Committee of Board and Board of Directors thereby ensuring both bottom-up and top-down approaches.

A Risk Management Committee ('RMC') is constituted to oversee the risk efforts in the Company. The RMC meets quarterly to review key risks and assess the status of mitigation measures. The Company's approach to risk management is designed to provide reasonable assurance that its assets are safeguarded, and the risks facing the business are being assessed and mitigated.

The key roles and responsibilities regarding risk management in the Company are summarised as follows:

1. Board of Directors

- Reviewing and guiding Risk Policy of the Company
- Ensuring the integrity of the systems for risk management

2. Risk Management Committee (RMC) of the Board

- To formulate a detailed risk management policy which shall include:
    - o A framework for identification of internal and external risks, specifically faced by the Company, in particular, including financial, operational, sectoral, sustainability (particularly ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee
    - o Measures for risk mitigation including systems and processes for internal control of identified risks
    - o Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
- To periodically review the risk management policy, at least once in two years by considering the changing industry dynamics and evolving complexity
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

3. Risk Management Group at Senior Leadership Level

- Identification and review of enterprise risks from time to time, initiating mitigation actions, identifying owners and reviewing progress
- Identification and review of risk appetite and risk trigger (at Enterprise Level)
- Implementation of risk reduction strategies
- Formulating and deploying Risk Management Policy
- Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks
- Providing updates to RMC from time to time on the enterprise risks and actions taken

4. Risk Management Group at Business Unit (BU) Level/ Subsidiary Level

- Reviewing respective BU/Subsidiary risks from time to time, initiating mitigation actions, identifying owners and reviewing progress
- Identification and review of risk appetite and risk trigger (at BU/Subsidiary Level)
- Implementation of risk reduction strategies
- Deploying Risk Management Policy
- Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks
- Providing updates to Tata Chemicals Management Committee (RMG) and RMC level from time to time on the respective Business / Subsidiary level risks and actions taken

5. Risk Owners

- Responsible for developing and acting on the risk mitigation plan
- Providing periodic updates to RMG on risks with the mitigation plan

Risk Categories

The following categories of risks have been considered in the Risk Management Framework:

- **Sustainability Risks** are the risks arising out of adverse impacts that the business activities have on environment (planet) and communities (people).
- **Strategic Risks** include the range of external events and trends (like Government policy) that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value. They also include the risks arising out of the choices the Company has made in defining its strategy.
- **Operational Risks** are those risks that are associated with operational uncertainties, like including failure in critical equipment, attrition, loss of data from cyber attacks.
- **Financial Risks** are risks faced by the organisation in terms of internal systems, planning and reporting.
- **Regulatory and Policy Risks** are risks on account of inadequate compliance of regulations, contractual obligations and intellectual property violations leading to litigation and loss of reputation.
- **Reputational Risks** include a range of events that creates a mismatch between stakeholders' expectations and their perceptions of the Company's performance around those expectations.

For more details on key risks and their mitigation plans, please refer to page no. 36 of this Integrated Annual Report.

Cautionary Statement

Statements in the Management Discussion & Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, and other statutes and incidental factors.

Corporate Governance Report

> *The Tata philosophy of management has always been, and is today more than ever, that corporate enterprises must be managed not merely in the interests of their owners, but equally in those of their employees, of the consumers of their products, of the local community and finally the country as a whole*
>
> **- J.R.D. Tata**

1. Company's Philosophy on Corporate Governance

Corporate Governance is an integral part of the Company's philosophy in its pursuit of excellence, growth and value creation. The Company strongly believes that having a robust governance structure is the stepping stone for every milestone ahead. The Company's philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and foster long-term corporate goals. It permeates in all aspects of working – workplace management, marketplace responsibility, community engagement and business decisions. The Company continues to be committed to the Tata Code of Conduct ('TCoC') that enunciates and imbibes principles, values and ideals guiding and governing the conduct of all 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 and also guide the Company on its journey towards continued success.

The Company's business strategies are guided by its philosophy on Corporate Governance which ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has adopted a Code of Conduct for its employees including Whole-time Directors and Senior Management. The Company has also adopted a Code of Conduct for Non-Executive Directors including Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act'). The Company's governance guidelines cover aspects mainly relating to composition and role of the Board, Chairman and Directors, Board diversity and Committees of the Board.

The Company's Corporate Governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices and adoption of Anti-Bribery & Anti-Corruption, Anti-Money Laundering and Tata Business and Human Rights Policies.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as applicable with regard to Corporate Governance.

2. Board of Directors

Composition of the Board

The Company has an active, experienced, diverse and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act. The Board periodically evaluates the need for change in its composition and size.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise Non-Executive Independent Directors with at least one Independent Woman Director. Out of total 8 Directors as on March 31, 2024, the Independent Directors constitute 62.50% of the Board. The Company has 2 Women Directors on the Board as on the said date who are holding their office as Independent Directors.

Detailed profile of the Directors is available on the Company's website at https://www.tatachemicals.com/DirectorsProfile.html. The Board met eight (8) times during FY 2023-24 on the following dates:

- May 3, 2023
- May 23, 2023
- June 26, 2023
- August 7, 2023
- November 10, 2023
- November 21, 2023
- February 5, 2024
- March 12, 2024