



Reimagine *life*

Reimagine *life*



About this Report

The Company continues to lay emphasis on making voluntary disclosures to keep its stakeholders fully informed on all aspects of its business. In keeping with the same, the Company has made an effort to further enhance the disclosures and information provided in its annual report (Page 1-48) to align with the Integrated Reporting <IR>, the framework by International Integrated Reporting Council (IIRC) and SEBI circular dated 6 February, 2017. Readers are requested to note that the non-financial data in the IR are management estimates and may change subsequently in its Sustainability Report for FY2016-17 to be published shortly.

Contents

Our guiding philosophy is to use the prowess of Science for improving the quality of life for everyone. As a business which develops products and solutions that are essentials for LIFE – broadly categorised as **L**iving Essentials, **I**ndustry Essentials and **F**arm Essentials – innovation has been an invariable part of the journey. We could excel in all our businesses because we could constantly innovate and rediscover ourselves in each of our business segments.

After our pioneering efforts of developing the market for iodised salt in India, our Living Essentials business kept broadening its horizons – starting from pulses, spices to water purifiers. The social enterprise model for Tata Swach has been exemplary in the way we reach out to the masses by revamping conventional marketing.

With years of experience, scientific expertise and deep understanding of today's consumers' nutrition and health requirement, we are now offering a range of Nutritional Solutions. This bears a testimony to how we reinvigorate our business aligning ourselves with our consumers' priorities.

For our Industrial Essentials business as well, we have left a similar imprint. Being the world's second-largest producer of soda ash and fourth-largest producer of sodium bicarbonate, our products touch people's lives in innumerable ways. We provide essential inputs to diverse industries including: pharmaceuticals, glass, dyes, food, textiles, mining, to name a few. With our manufacturing facilities located across four continents of North America (TCNA), Europe (TCE), Africa (TCM) and Asia (TCL), we innovated and realigned our practices as per the specificities and uniqueness of every region.

Keeping Sustainability and Resource Optimisation at the forefront, our operations are setting industry benchmarks. Our Mithapur facility is a Zero Waste plant. Foraying into yet another technology enabled, differentiated business, Tata Chemicals will start its operations at Gujarat for manufacturing HDS (Highly Dispersible Silica), a versatile product with applications in many industries including rubber, coatings and agrochemicals. The technology for manufacturing HDS has been developed at our Innovation Centre in Pune.

The course of development for our Farm Essentials business is no different. Our agri-solutions to farmers include fertilisers, pesticides and specialty nutrients. Going beyond the provision of products, we share information with farmers on new and improved agronomic practices and use of agricultural inputs.

Through our businesses, we aim to build a happier and healthier life for our customers and our neighbouring communities. We endeavour to transform the life of our communities through concerted efforts towards empowerment, conservation of culture and conservation of nature.

At every stage of growth, we have tried to realign our practices, reinvigorate our businesses and rediscover ourselves. We are now ready for the next frontier of growth. Our phenomenal journey from being a chemicals company to a company which leverages science to provide innovative solutions for life; has been possible because we constantly endeavour to 'Reimagine LIFE'.

TCNA - Tata Chemicals North America; TCE - Tata Chemicals Europe;
TCM - Tata Chemicals Magadi; TCL - Tata Chemicals Limited

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Tata Chemicals *at a Glance*

At Tata Chemicals, we work to harness the fruits of science for goals that go beyond business. Part of the over \$100 billion Tata Group, we serve customers across 5 continents. Our businesses focus on essentials for LIFE: Living, Industry and Farm Essentials:

LIVING ESSENTIALS

Through our Living Essentials products, we aim to provide nourishment and nutrition to millions of consumers across India. These include iodised & iron fortified salt, high protein unpolished pulses, aromatic spices as well as, nutritional products and ingredients Nx (low-calorie sugar substitute) and NQ range.

Tata Swach is an innovative, low-cost, nanotechnology based, offline water purifier providing safe water to the masses through a Social Enterprise model.



Mission: Serving Society through Science.

INDUSTRY ESSENTIALS

The Industry Essentials strives to provide sustainable inorganic chemistry solutions to customers across the globe. Our key products of Soda Ash & Sodium Bicarbonate are vital ingredients to diverse industries including glass, detergents, sodium silicate, textiles, food, feed, mining and chemical processing. The business strategy is delivering value-added, differentiated products and solutions while driving cost competitiveness.



Our Mission, Vision and Values lay the blue-print of all our businesses.

FARM ESSENTIALS

Our Farm Essentials business offers multiple farm inputs that are required to improve crop health and productivity. These include fertilisers, pesticides, specialty nutrients, seeds and agro-services.

Tata Kisan Sansar (TKS) and Rallis Kisan Kutumb (RKK) is a network that offer information on new and improved agronomic practices and facilitate use of agricultural inputs.



Values: Safety, Passion, Integrity, Care and Excellence.

Vision: To be a sustainable company with deep customer insights and engaging relationships with all stakeholders in industrial chemicals, branded agri & consumer products.



Cultural Pillars

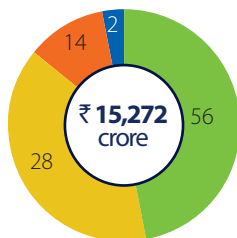
*Proactive
Cost Focus*

*Agile
Execution*

*Collaborative
Innovation*

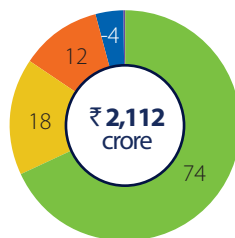
*Trusting
Relationships*

Segmental Revenue (Consolidated) (%)



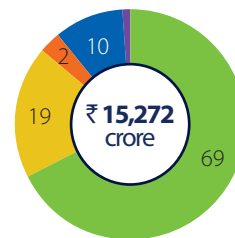
Inorganic chemicals Other agri inputs
Fertilisers Others Unallocated (0.02)

Segmental Results PBIT (Consolidated) (%)



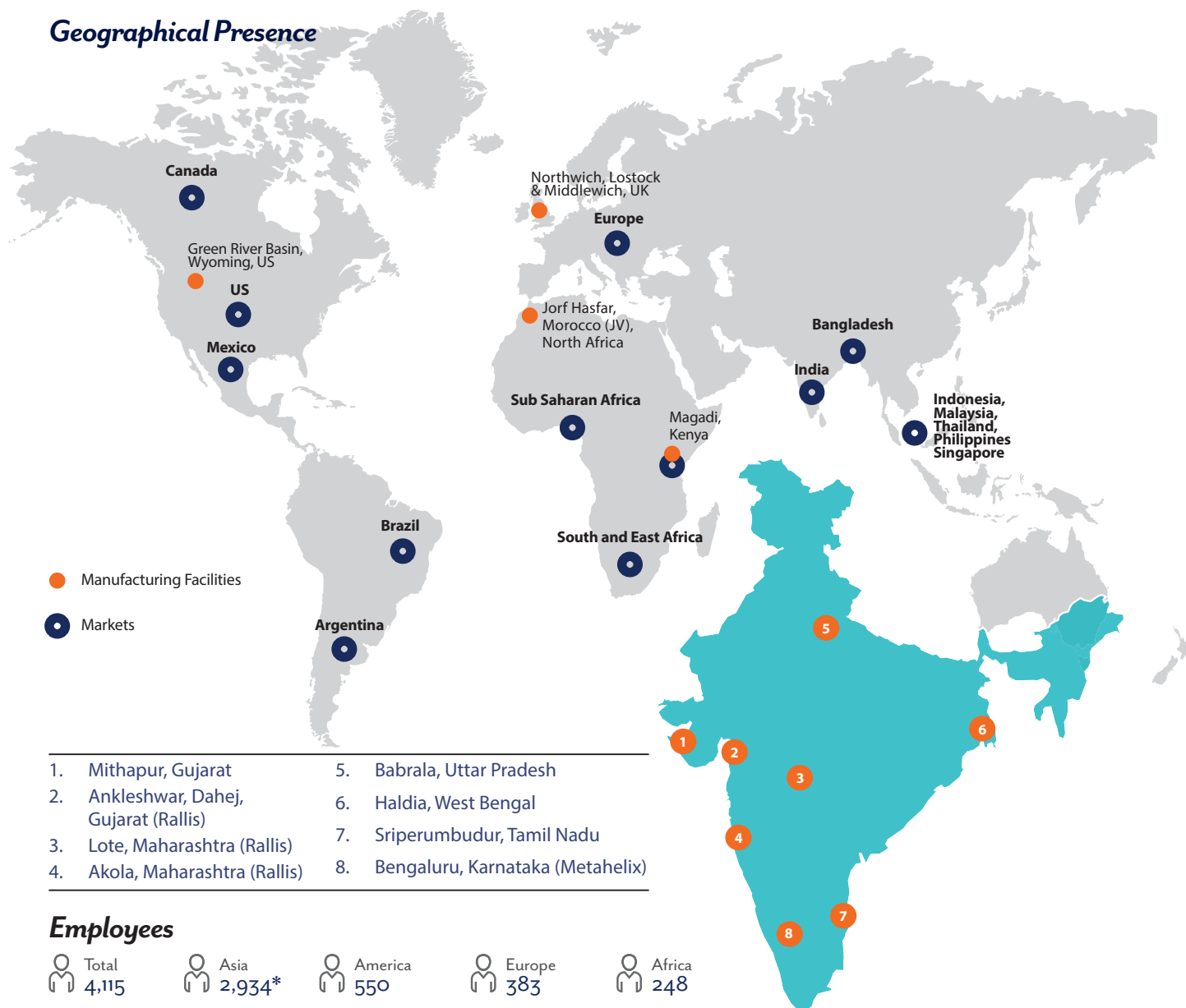
Inorganic chemicals Other agri inputs
Fertilisers Others Unallocated (0.30)

Geographical Revenue (Consolidated) (%)



Asia Africa America
Europe Others (0.04)

Geographical Presence



Employees

Total 4,115
 Asia 2,934*
 America 550
 Europe 383
 Africa 248

* Excluding Rallis and Metahelix

Map not to Scale

Board of *Directors*

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Tata culture and ethos.



Mr. Bhaskar Bhat

NON-EXECUTIVE DIRECTOR

Mr. Bhat is a non-executive director, of Tata Chemicals Limited. He has an extensive experience and expertise in sales and marketing. He is the Managing Director of Titan Company Ltd. At Titan, he has handled several portfolio like sales and marketing, HR, international business and has been responsible for the outstanding growth of the company. He is also a member of the governing council at the TA Pai Management Institute, Manipal, and the SDM Institute of Management and Development, Mysore. He is a Distinguished Alumnus of IIT Madras.

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Mr. Nasser Munjee

INDEPENDENT DIRECTOR

Mr. Munjee is an independent director on the board of Tata Chemicals Limited since 2006. In the past, he served HDFC bank for over 20 years and was an Executive Director there. He was a Managing Director at IDFC and a technical advisor on the World Bank's Public Private Partnership Infrastructure and Advisory Fund. He is also associated with several public and private institutions in leading positions such as a chairman, a member of the board or as a trustee. He holds a master's degree in economics from the London School of Economics.

1 4 6



Dr. YSP Thorat

INDEPENDENT DIRECTOR

Dr. Thorat, is an independent director on the board of Tata Chemicals Limited since 2010. He has been a chairman of the National Bank of Agriculture and Rural Development (NABARD) and executive chairman of the Dryland Farming Commission. He has chaired the Agriculture Universities Recruitment Board, Government of Maharashtra and is actively associated with various academic institutes. He has significantly contributed to the field of policy support for agriculture finance, supervision and export credit. A university rank holder in political science, Dr. Thorat has a degree in law, a doctorate in economics and is a D.Lit. He is a recipient of the prestigious Gopal Krishna Gokhale Award.

1 2 4 6

○ Chairman ○ Member

① Audit Committee

③ Stakeholders' Relationship Committee

⑤ CSR, Safety and Sustainability Committee

② Executive Committee of the Board (Non-Statutory)

④ Nomination and Remuneration Committee

⑥ Risk Management Committee (Non-Statutory)



Ms. Vibha Paul Rishi

INDEPENDENT DIRECTOR

Ms. Rishi is an independent director on the board of Tata Chemicals Limited since 2014. She is an experienced marketing professional with stints in Indian and international markets, coupled with an abiding passion for people. Her last role was as the executive director, brand and human capital of Max India, prior to which she was the director, marketing and customer strategy at the Future Group. She has been with PepsiCo for 17 years in leadership roles in the areas of marketing and innovation in India, US and UK. She serves on the boards of several reputed companies and is also on the board of Pratham, an NGO that works for educating underprivileged children. She holds a BA degree in economics from Delhi University and a master of business administration degree from the Faculty of Management Studies, New Delhi.



Mr. S. Padmanabhan

NON-EXECUTIVE DIRECTOR

Mr. Padmanabhan is currently the executive chairman, Tata Business Excellence Group and has recently been given additional responsibility as Head of Group HR for Tata Sons. He is also on the board of Tata Power, Infiniti Retail and The Associated Building Company and is Non-Executive Chairman of Tata Consulting Engineers. His career with Tata group of companies spans over 34 years and began with Tata Consultancy Services, where he held several senior positions. He was also the Executive Director-Operations of Tata Power and was responsible for the profitable and sustainable operations of the company. He is a Glaxo Marketing Scholar Medallist, a Distinguished Alumnus from IIM Bangalore, and a Gold Medallist and a Distinguished Alumnus from PSG College of Technology, Coimbatore. He has completed the Advanced Management Program at the Harvard Business School.



Mr. Ratan N. Tata

CHAIRMAN EMERITUS

Mr. Tata was the chairman of Tata Sons, the holding company of the Tata Group, from 1991 till his retirement on December 28, 2012. Thereafter, he has been conferred the honorary title of chairman Emeritus of Tata Sons, Tata Industries, Tata Motors, Tata Steel and Tata Chemicals. Mr. Tata was the chairman of the major Tata companies and during his tenure the group's revenues grew manifold, totaling over \$ 100 billion in 2011-12. Mr. Tata serves on the international advisory boards of Mitsubishi Corporation, JP Morgan Chase and Rolls-Royce. He is the chairman of the Tata Trusts which are amongst India's oldest, non-sectarian philanthropic organisations that work in several areas of community development. He is the chairman of the Council of Management of the Tata Institute of Fundamental Research and also serves on the board of trustees of Cornell University and the University of Southern California. Mr. Tata joined the Tata Group in 1962. After serving in various companies, he was appointed Director-in-Charge of the National Radio & Electronics Company Limited in 1971. In 1981 he was named chairman of Tata Industries, the group's other holding company, where he was responsible for transforming it into a group strategy think-tank, and a promoter of new ventures in high technology businesses. Mr. Tata received a B.Arch. degree from Cornell in 1962. He completed the Advanced Management Program at Harvard Business School in 1975. The Government of India honored Mr. Tata with its second-highest civilian award, the Padma Vibhushan, in 2008.



Mr. R. Mukundan

MANAGING DIRECTOR AND CEO

Mr. Mukundan is the Managing Director and CEO of Tata Chemicals. During his 27 year career with the Tata group, he has served across the chemical, automotive and hospitality sectors of the group. An engineer from IIT Roorkee, he joined the TAS in 1990, after completion of MBA. He is an alumnus of Harvard Business School.



Management *Team*

CORPORATE

MR. R. MUKUNDAN
MANAGING DIRECTOR & CEO

MR. JOHN MULHALL
CHIEF FINANCIAL OFFICER

MR. ZARIR LANGRANA
PRESIDENT, GLOBAL CHEMICALS
BUSINESS

MR. R. NANDA
CHIEF HUMAN RESOURCES OFFICER

MR. RAJIV CHANDAN
GENERAL COUNSEL
AND COMPANY SECRETARY

INDIA OPERATIONS

DR. ARUP BASU
PRESIDENT, NEW BUSINESS
AND INNOVATION CENTRE

MR. SANJIV LAL
CHIEF OPERATING OFFICER,
INDIA CHEMICALS OPERATIONS

MR. D. K. SUNDAR
CHIEF OPERATING OFFICER,
UREA BUSINESS

MR. ASHVINI HIRAN
CHIEF OPERATING OFFICER,
PHOSPHATIC & AGRI TRADING
BUSINESS

MS. RICHA ARORA
CHIEF OPERATING OFFICER,
CONSUMER PRODUCTS

INTERNATIONAL OPERATIONS

MR. MARTIN KEIGHLEY
MANAGING DIRECTOR,
TATA CHEMICALS NORTH AMERICA

DR. MARTIN ASHCROFT
MANAGING DIRECTOR,
TATA CHEMICALS EUROPE

MR. JACKSON MBUI
MANAGING DIRECTOR,
TATA CHEMICALS MAGADI

Other Information

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SOLICITORS

AZB & Partners
Mulla & Mulla & Craigie, Blunt & Caroe
Shardul Amarchand Mangaldas
Cyril Amarchand Mangaldas

REGISTRAR & TRANSFER AGENTS

TSR Darashaw Limited
6-10 Haji Moosa
Patrawala Industrial, Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011

ANNUAL GENERAL MEETING

Wednesday, 9 August, 2017 at 3:00 p.m.

Venue:

Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020

Managing Director's *Message*

Dear Shareholders,

It gives me immense pleasure to share with you our performance for the year gone by and the journey ahead. The year gone by was marked by tumultuous changes and challenging business environment on several fronts. These changes, driven by forces of Sustainability, Digitisation and Technology will create exciting and transformative opportunities. I am truly energised by the strengths which our Company has built over the years and the transformation agenda in front of us. The theme of this year's annual report also is about transformation. Reimagine LIFE - Reimagine Living, Industry and Farm Essentials - as we continue to Serve Society through Science.

Overall business performance

FY2016-17 was an encouraging year for us. A year in which our businesses delivered excellent performance, including sustained profitability in our international businesses. The performance was led by the Chemicals business which remains the mainstay of our operations. Our India and US businesses delivered stable margins, with better volumes despite challenges in terms of rising energy costs. The performance of our UK business was robust, owing to consistent focus on cost rationalisation. Our Kenyan business successfully overcame its quality challenges during the year.

Tata Salt maintained its No.1. position in the Food Category in the Brand Equity Survey. We continued to build our Consumer Food business on that foundation, while we did pause our pulses business, for some time, due to government price intervention, structurally, we see a lot of potential in this space; and we will enhance our focus on value-addition with a range of besan, protein rich mixes and other products. At the same time, our spices continue to gain market share in the three regions even

as we prepare to enter the South Indian market. Our Innovation Centre in Pune also launched the TATA Nx sweeteners (Zero Sugar and Lite & Sweet).

During the year, our revenue from continuing operations was ₹ 13,288.92 crore against ₹ 15,220.23 crore last year. The decline was due to a management decision to run the Phosphate fertilisers business to maximise cash generation. This led to improved profitability and PAT sharply up by 29%, over the previous year.

The robust cash flow of our businesses enabled us repay our ECB loan and achieve significant reduction in working capital borrowings and strengthened our balance sheet.

Going Forward - Our Strategy

Our strategy is to maintain our strengths in Chemicals Business while growing the Specialty Business and Consumer Food Business, even as we focus on the Farm Business through our subsidiaries Rallis and Metahelix. We have a unique combination of a Farm business in Rallis, having the Farmer connect and a Food business in Tata Chemicals Limited having the Household connect.

Our decision to exit the Urea Business was a critical move in line with our strategy. The Specialty Business and Consumer Business are going to be our future growth catalysts. We are investing in manufacturing facilities in Gujarat and Andhra Pradesh to develop scale in Specialty Businesses of New Materials like HDS and Nanomaterials and New Nutrition and Foods such as Oligosaccharides and Polyols.

Emerging as future ready

We are focusing our Sustainability efforts around FEW (Food, Energy and Water) challenges facing the world while we continue driving resource optimisation and utilisation in our operations, launching innovative nourishing products

and enabling self-reliance amongst farmers and the community.

Our investments in our Food, Farm and Materials technology laboratories in Pune and Bengaluru are yielding several new innovative solutions and products, much of which is highlighted in the annual report.

Our digital initiatives are having a positive impact on our balance sheet. In FY2016-17, we put in place Digitisation agenda and IT infrastructure for integrating our operations, particularly in the domains of Supply Chain management, Customer and Employee engagement. During the year, Digital Projects in Chemicals, Food and Farm businesses were initiated which will enable us to automate processes, improve data quality and predictive analytics, and promote innovation.

In Conclusion

I would like to thank all our Shareholders, including our promoter and principal Shareholder, Tata Group for their support, especially during difficult times few quarters ago, which only reinforced our commitment and our deep belief in our Values and Purpose and the very Principles on which Tata Chemicals Limited and Tata group was founded. While Tata Chemicals Limited is on its way to celebrate 80 years in 2019, last year was 90 years of our founding as Okha Salt Works in Mithapur and next year will be 150 years of Tata Group, I want to thank all our stakeholders, who over the years have made this a memorable journey and we are committed to Serving Society through Science and Reimagining LIFE (Living, Industry and Farm Essentials) in all its facets.

I seek the support and guidance of all our stakeholders in this endeavour.

Best Regards,
R. Mukundan
Managing Director & CEO

Strategy Planning *Process*

The Strategy Planning Process (SPP) at Tata Chemicals emanates from our Mission, Serving Society through Science and our Vision. The process takes inputs from our long-term transformational aspirations (LEAP) and is underpinned by our cultural differentiators and our core values.



The Strategy Planning Process also takes into account the requirements and inputs of our various stakeholders, both internal and external to the organisation.

