



Advancing Science.  
**Creating Value.**

Integrated  
Annual Report **2019-20**

**81<sup>st</sup> Year**

# Basis of Reporting

The principles of Integrated Reporting <IR> have emerged as a benchmark for global best practice in corporate reporting. We have based our annual report on these principles for transparency and disclosures beyond statutory norms. FY 2019-20 is the fifth year of such reporting. Through <IR>, we intend to enrich our reporting for all stakeholders by providing information on our value creation process using the interlinkages of multiple capitals.

This report is prepared in accordance with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. We have also followed internationally recognised frameworks and guidelines of United Nations Global Compact, Global Reporting Initiative (GRI) and AA1000 Framework for Accountability and the Integrated Reporting <IR> framework of the International Integrated Reporting Council ('IIRC'). We apply the following principles of AA1000 AS (2008):

## Inclusivity

We commit accountability to stakeholders who are impacted, directly or indirectly, by our organisation. We have mapped our stakeholders and have processes to ensure inclusion of their concerns and expectations. We continue to develop our stakeholder engagement and sustainability capacity at corporate and manufacturing levels.

## Assurance Statement

The non-financial information disclosed in this Report, on a voluntary basis, is as per the Integrated Reporting <IR> Framework of the IIRC and has undergone an independent assurance by Ernst & Young Associates LLP. This assurance has been done as per the 'Limited' criteria of the ISAE3000 assurance standard (International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information) as well as the 'Type 1, Moderate' criteria of the AccountAbility AA1000 AS assurance standard. The specific environmental and social performance data subjected to this assurance, approach, limitations as well as the assurance conclusion are presented in the Assurance Statement available at <https://www.tatachemicals.com/IRAssurance201920.htm>.

## Materiality

We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points with measurable targets.

## Responsiveness

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

## Reporting period and scope

This report covers financial and non-financial information and activities of Tata Chemicals Limited ('the Company' or 'TCL') and key domestic and overseas subsidiaries during the period April 1, 2019 to March 31, 2020. The report's financial figures are audited by BSR & Company LLP, Chartered Accountants and the non-financial information are assured by Ernst & Young Associates LLP.

## Forward-Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operations or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## United Nations Sustainable Development Goals (SDGs) prioritised



# Advancing Science. Creating Value.

For more than 80 years, we at Tata Chemicals have operated with a sense of purpose to play an active role in shaping a better world. We graduated from a manufacturing to a science and innovation-led entity. We seeded multiple new businesses and created extensive global footprint, manufacturing capacities and employment opportunities. We ensured prosperity of all stakeholders.

We are determined to build our solid foundation to meet the growing expectations of our stakeholders in the ever changing world.

We have undertaken important restructuring exercise – demerging consumer product business to create an innovative, pure-play science company which is our forte. This will augment our innovation index by delving deeper into science to develop unique solutions, besides making our business more efficient, streamlined and synergistic. We are also making strategic capex investments in high-potential and newly seeded portfolios as well as towards embedding sustainability in all our operations and decision-making.

Our efforts are strengthening our business model and positioning us to create value for our stakeholders at economic, social and environmental levels.

## Our six capitals



### Financial capital

Pool of funds (debt and equity) used to sustain and create additional value across all capitals.



### Manufacturing capital

Plants, warehouses, logistics facilities and physical assets in which we have made financial investment to ensure sustained and efficient operations and generate long-term returns.



### Intellectual capital

Scientific knowledge, research & development (R&D) capabilities and innovation quotient which is core to our business for product development and provides us competitive edge.



### Social & Relationship capital

Initiatives we undertake for the welfare of the communities, supply partners, dealers and customers to secure our reputation as a trusted, long-term partner of choice and the license to operate.



### Human capital

The knowledge, skills, experience and motivation of our employees on which we depend on for value creation.



### Natural capital

Renewable and non-renewable natural resources such as raw materials, land, water and energy which we use in our operations to generate social and economic value; and which has unavoidable environmental impacts.

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## 81<sup>st</sup> Annual General Meeting

Date: Tuesday, July 7, 2020

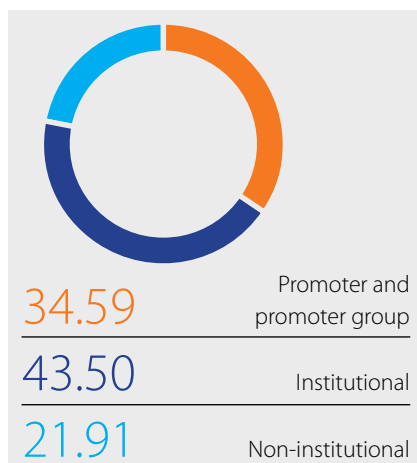
Time: 3.00 p.m. (IST)

Through Video Conference facility

# Tata Chemicals: An Innovative, Science-Led Sustainable Chemistry Company

A part of US\$ 113 billion Tata Group, Tata Chemicals is a globally leading multinational company employing over 4,600 people and present in 40+ countries. In our eight decades of existence, we have brought to the fore our knowledge and expertise in science to develop innovative products that provide a competitive edge to our customers and have positively impacted the society. We enjoy a strong and established position globally in inorganic and crop protection chemicals.

Ownership structure (%)



## Mission

Serving Society through Science



## Vision

To be a leading sustainable Chemistry Solutions Company serving customers based on innovative, science-led differentiated products and solutions

## Values



S - Safety



P - Passion



I - Integrity



C - Care



E - Excellence

## Our Reputation



**3<sup>rd</sup> largest**

Soda Ash manufacturer **(globally)**



**6<sup>th</sup> largest**

Sodium bicarbonate manufacturer **(globally)**



**~13 million**

Farmer contacts **(India)**



**Top 25**

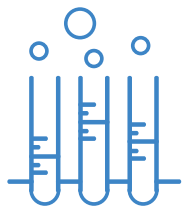
Ranked amongst top 25 India's Most Innovative Companies in 2019



**Pioneer**

In FOS/GOS products **(India)**

## Basic Chemistry Products



### Inorganic chemistry products like Soda Ash, Bicarb, Salt, Marine Chemicals, Crushed Refined Soda and Cement

#### End user segment

B2B – Industries

#### Value drivers

- Specialised portfolio in soda ash, bicarb and cement
- India's leading edible and vacuum salt manufacturer
- Strong partnerships with global glass and detergent companies
- Operational excellence and cost competitiveness

## Specialty Products



Agri Sciences

### Seeds, crop protection formulations and other agricultural inputs

#### End user segment

B2C – Farmers

#### Value drivers

- World class product development and manufacturing for global agro chemical supply
- Deep farmer connect
- Wide domestic reach covering 80% of India's districts



Nutritional Sciences

### Ingredient and formulation solutions, including prebiotic dietary fibres for human and animal health

#### End user segment

B2B – Food processing companies

B2C – Consumers

#### Value drivers

- Strong product differentiation, patent protected
- Deep scientific know-how in nutritional innovation



Material Sciences

### Value creating offerings in the niche area of advanced nano-material solutions

#### End user segment

B2B – Industries

#### Value drivers

- Green patented technology for manufacturing Highly Dispersible Silica (HDS)
- Nano zinc oxide with improved UV blocking, anti-microbial and anti-fungal properties along with water dispersibility
- Deep understanding of high performance innovative chemistries
- Strong R&D capabilities including nanotechnology
- Operational excellence



Energy Sciences

### Cutting-edge and disruptive electro-chemistry solutions for Energy Storage

#### End user segment

B2B – Industries

#### Value drivers

- Capitalise on the emerging opportunities in electric vehicles and stationary applications, with circular economy concept around Lithium-ion technology – active materials manufacturing, cell & battery manufacturing and recycling critical materials from used batteries
- Collaborating with leading global battery makers for contemporary and next generation chemistries and Indian research institutes (ISRO, CSIR-CECRI)

# Growing and Diversified Global Footprint

## America

Revenue  
**₹ 3,403 Cr.**

EBITDA  
**₹ 762 Cr.**



1. Green River, Wyoming, USA



Canada, USA, Mexico, Brazil and Argentina



Tata Chemicals North America Inc. (TCNA) -  
Amongst the world's leading producers of high-  
quality natural Soda Ash

## Europe

Revenue  
**₹ 1,356 Cr.**

EBITDA  
**₹ 157 Cr.**



- 2. Lostock, UK
- 3. Winnington, UK
- 4. Middlewich, UK



Europe and the UK (Sodium Bicarbonate marketed globally)



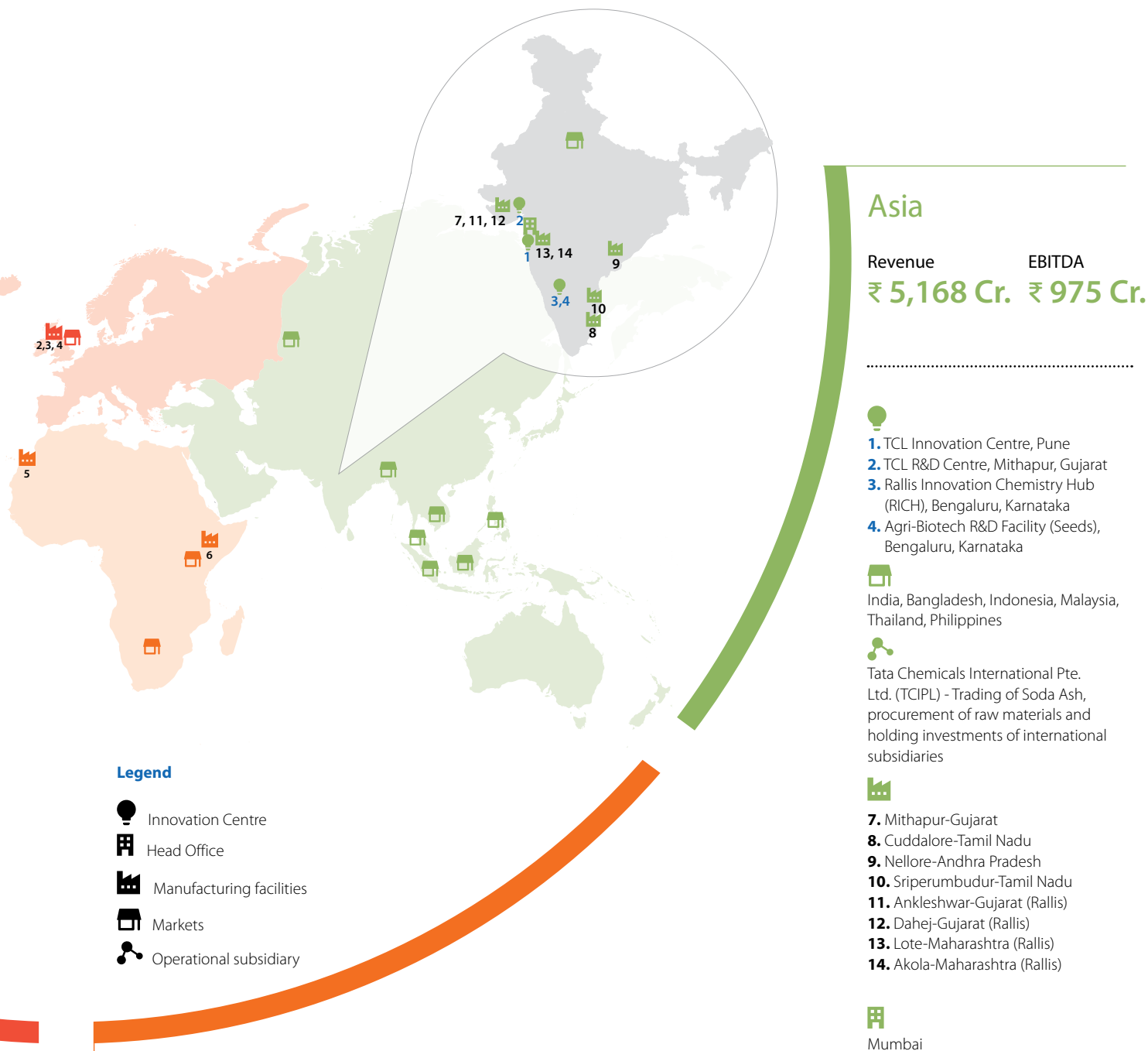
Tata Chemicals Europe (TCE) – Amongst Europe's  
leading producers of Sodium Bicarbonate, Salt (through  
British Salt) light Soda Ash and other products

## Africa

Revenue  
**₹ 457 Cr.**

EBITDA  
**₹ 49 Cr.**

Note: Financials are after IND AS adjustments



**5.** Jorf Hasfar, Morocco (JV), North Africa  
**6.** Magadi, Kenya



Sub-Saharan Africa



Tata Chemicals Magadi (TCML) – Africa's largest Soda Ash manufacturers and one of the leading exporters in Kenya

Tata Chemicals South Africa (TCSA) – A licensed bulk handling terminal, servicing a large part of customers' Soda Ash requirements and also a growing third-party cargo handling business



## FY 2019-20 Operational and Strategic Highlights

Capacity expansion and debottlenecking programme in Mithapur with implementation phased to focus on rapid expansion of essential products and alignment with the new strategic imperatives brought on by the pandemic

Completed demerger of Consumer Products Business with smooth transitioning of employees to become a focussed science driven chemistry company

Acquired balance 25% stake in Tata Chemicals (Soda Ash) Partners Holdings from The Andover Group for US\$ 195 million to increase ownership to 100%

Mithapur Saltworks



Operationalised and commenced trial production of the 5,000 MT greenfield biotechnology (Fructo-Oligosaccharides) manufacturing unit at Nellore, Andhra Pradesh. Products are under global approval process

Commenced commercial production of non rubber and rubber grade Silica at 900 TPM Silica plant in Cuddalore, Tamil Nadu

Commenced commercial production of the first phase expansion (500 MT) of Metribuzin plant. Second phase expansion (500 MT) underway

Secured land in Dholera, Gujarat with support of Gujarat government to set up a greenfield manufacturing facility for Energy Sciences vertical

## Board of Directors



C

### MR. BHASKAR BHAT

#### Non-Executive Director

A mechanical engineer from IIT Madras with a post-graduate diploma in management from IIM Ahmedabad, Mr. Bhat joined the Tata Watch Project (initiated at Tata Press) in 1983, which is now Titan Company Limited. He then took over as Managing Director of the Company on April 1, 2002 and held the position till his superannuation on September 30, 2019. Mr. Bhat has engineered the creation of many brands including pioneering the concept of franchising and retailing in Watches, Jewellery, Eyewear and Precision Engineering. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008. He was inducted as a Director on the Board of Tata Sons in November 2017. He was appointed as Non-Executive Director of Tata Chemicals Limited in December 2016.



B E A C D

### MS. VIBHA PAUL RISHI

#### Non-Executive Independent Director

Ms. Vibha Paul Rishi holds a BA Degree in Economics from Delhi University and an MBA with specialisation in marketing from the Faculty of Management Studies, New Delhi. She is an experienced business leader who has worked with Titan, PepsiCo, Max India and Future Group with stints in India, the UK and USA. Her last role was as the Executive Director, Brand and Human Capital of Max India. She has worked at senior positions in branding, strategy, innovation and human capital around the world. She serves on the Boards of several reputed companies and is also on the Board of Pratham, an NGO that works to provide education to underprivileged children in India and is the Non-Executive, Independent Director on the Board of Tata Chemicals since September 2014.



D A B E F

### MR. S. PADMANABHAN

#### Non-Executive Director

Mr. Padmanabhan is a distinguished alumnus of IIM Bangalore, a Gold Medallist and alumnus from PSG College of Technology, Coimbatore and has also completed the Advanced Management Program at Harvard Business School. His career with the Tata Group companies spans over 35 years. During a 26-year stint with Tata Consultancy Services, Mr. Padmanabhan held several senior leadership roles. In the past, he has held the positions of Executive Director of Tata Power as well as the Group Chief Human Resources Officer at Tata Sons. He also serves on the Boards of several other Tata companies. Appointed as a Non-Executive Director of Tata Chemicals Limited in December 2016, he is currently the Executive Chairman, Tata Business Excellence Group (TBExG) and head of Ethics.



A C F

### MS. PADMINI KHARE KAICKER

#### Non-Executive Independent Director

Ms. Padmini Khare Kaicker is a Chartered Accountant from the Institute of Chartered Accountants of India, a Certified Public Accountant (USA) and a Diploma holder in Business Finance from the Institute of Chartered Financial Analysts of India. She is the Managing Partner of B. K. Khare & Co., one of the leading Indian accounting firms. She has a wide and varied experience in the areas of audit, taxation, corporate finance, risk management, corporate governance, M&A and restructuring. She serves on the Board of several companies and has been a Non-Executive, Independent Director on the Board of Tata Chemicals Limited since April 2018.



C A

### DR. C. V. NATRAJ

#### Non-Executive Independent Director

Dr. C. V. Natraj is a Ph.D. in Chemistry from the Indian Institute of Science, Bangalore. He also has postdoctoral research experience in biochemistry from the University of Michigan, Ann Arbor. Dr. Natraj has more than 30 years of experience in research. He headed the research function as Director on the Board of Hindustan Lever Limited and later went on to lead the Corporate Research function for Unilever as Senior Vice President. He is the Technical Advisor to the Society for Innovation and Development at the Indian Institute of Science. He was appointed on the Board of Tata Chemicals Limited as a Non-Executive, Independent Director in August 2019.