

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Tata culture and ethos. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Director as well as for its Non-Executive Directors.

The Company has also adopted the Tata group Governance Guidelines for Board Effectiveness to fulfil its responsibilities towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable, with regard to corporate governance.

## 2. BOARD OF DIRECTORS

### Composition of the Board

The Company has an active, experienced 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.

As on 31 March, 2017, the Board comprised six Directors, out of which five are Non-Executive Directors and one Managing Director. Out of the total strength, three (i.e. 50%) are Independent Directors (including one woman Independent Director). The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

The Company currently has right mix of Directors on the Board who possesses the requisite qualifications and

experience in general corporate management, finance, banking, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Detailed profile of the Directors is available on the Company's website at [www.tatachemicals.com](http://www.tatachemicals.com).

### Board Procedure

The dates of the Board/Committee Meetings are agreed upon at the beginning of the year.

The agenda along with the detailed notes are circulated in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibilities effectively. The Managing Director apprises the Board on the overall performance of the Company every quarter including the performance of the overseas operating subsidiaries. The Board periodically reviews the strategy, annual business plan and capital expenditure budgets and risk management, safety and environment matters. It also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase / disposal of property, major accounting provisions and write-offs/write backs, corporate restructuring, minutes of the meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is also kept informed of major events and approvals are taken wherever necessary.

The General Counsel & Company Secretary monitors the Board and Committee proceedings to ensure that terms of reference/charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. Meeting effectiveness is ensured through clear agenda, pre-circulation of material in advance, detailed presentations at the meetings and tracking of the Action Taken Report (ATR). Additionally, based on the agenda, the Board/Committee meetings are attended by members of the senior leadership as invitees, which bring in the requisite accountability and also provide developmental inputs.

In order to reduce paper consumption and maximum utilisation of technology, the Company has adopted a web based application for transmitting the agenda and pre-

reads for the Board and Committee meetings. The Directors receive the agenda and pre-reads in electronic form through the application which can be accessed through the iPads. The said application is highly secured.

Video conferencing facility is also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

### Meetings Held

The Board met 9 (nine) times during the Financial Year (FY) 2016-17 on 26 May, 2016, 22 July, 2016, 5 August, 2016,

10 August, 2016, 7 October, 2016, 10 November, 2016, 22 November, 2016, 8 February, 2017 and 29 March, 2017.

The gap between two meetings did not exceed one hundred and twenty days.

### Board of Directors

The composition and category of Directors, their attendance at the Board Meetings and at the last AGM held during the FY 2016-17 and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31 March, 2017 are as follows:

Name of the Director	Category of the Director	Directors' Identification Number	Number of Board Meetings attended during the FY 2016-17	Whether attended AGM held on 11 August, 2016	Number of directorships in other public limited companies*		Number of committee positions held in other public limited companies**	
					Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. Cyrus P. Mistry <sup>@</sup>	Chairman, Non-Independent, Non-Executive	00010178	7	Yes	N.A.	N.A.	N.A.	N.A.
Mr. Nusli N. Wadia <sup>^</sup>	Independent, Non-Executive	00015731	5	Yes	N.A.	N.A.	N.A.	N.A.
Mr. Nasser Munjee	Independent, Non-Executive	00010180	8	Yes	2	7	4	1
Mr. E. A. Kshirsagar <sup>&amp;</sup>	Independent, Non-Executive	00121824	4	Yes	N.A.	N.A.	N.A.	N.A.
Dr. Y. S. P. Thorat	Independent, Non-Executive	02652734	9	Yes	-	3	1	2
Ms. Vibha Paul Rishi	Independent, Non-Executive	05180796	8	Yes	-	8	-	5
Dr. Nirmalya Kumar <sup>&amp;&amp;</sup>	Non-Independent, Non-Executive	00364637	3	No	N.A.	N.A.	N.A.	N.A.
Mr. Bhaskar Bhat <sup>§</sup>	Non-Independent, Non-Executive	00148778	8	Yes	4	4	-	3
Mr. S. Padmanabhan <sup>#</sup>	Non-Independent, Non-Executive	00306299	2	NA	2	3	-	1
Mr. R. Mukundan	Managing Director & CEO	00778253	9	Yes	-	3	-	-

Notes:

\* Excludes directorships in associations, private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships

\*\* Represents Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee in listed as well as unlisted public limited companies

@ Mr. Cyrus P. Mistry resigned as a Chairman and Director w.e.f. 19 December, 2016

^ Mr. Nusli N. Wadia ceased to be a Director w.e.f. 23 December, 2016 pursuant to the resolution passed by the members under Section 169 of the Act for his removal at the Extraordinary General Meeting (EGM) held on 23 December, 2016

& Mr. E.A.Kshirsagar retired as a Director w.e.f. 10 September, 2016

&& Dr. Nirmalya Kumar was appointed as a Director w.e.f. 26 May, 2016 and resigned w.e.f. 31 October, 2016

§ Mr. Bhaskar Bhat resigned w.e.f. 10 November, 2016 and was again appointed as a Director w.e.f. 23 December, 2016 by the members at the EGM

# Mr. S. Padmanabhan was appointed as a Director w.e.f. 23 December, 2016 by the members at the EGM

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

### Shareholding of Directors

Name of the Director	No. of Ordinary shares held	% of Paid-up Capital
Mr. Cyrus P. Mistry (Chairman) @	16,000	0.01
Dr. Nirmalya Kumar *	1,000	0.00
Mr. R. Mukundan (Managing Director & CEO)	500	0.00

Notes:

@ Mr. Cyrus P. Mistry resigned as a Chairman and Director w.e.f. 19 December, 2016

\* Dr. Nirmalya Kumar was appointed as a Director w.e.f. 26 May, 2016 and resigned w.e.f. 31 October, 2016

Apart from the above, no other Director is holding any shares in the Company. The Company has not issued any convertible instruments.

## INDEPENDENT DIRECTORS

### Meetings of Independent Directors

During the year, two meetings of Independent Directors of the Company without the presence of Non-Independent Directors and members of management were held on 10 November, 2016 and 29 March, 2017 as required under Schedule IV to the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. At their meeting, the Independent Directors reviews the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman and also assesses the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Composition and Attendance

Name of the Member	No. of meetings attended
Mr. Nusli N. Wadia @	1
Mr. Nasser Munjee	2
Mr. E.A. Kshirsagar #	-
Dr. Y.S.P. Thorat	2
Ms. Vibha Paul Rishi	2

Notes:

@ Mr. Nusli N. Wadia ceased to be a Director w.e.f. 23 December, 2016

# Mr. E.A.Kshirsagar retired as a Director w.e.f. 10 September, 2016

### Terms and conditions of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit of Independent Directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations. The Managing Director of the Company does not serve as an Independent Director in any listed company.

### Induction and Familiarisation Programme for Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. These includes orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis. An induction kit is handed over to new Directors which includes the annual report, a CD containing overview of the Company and its operating subsidiaries, charters of the Company, annual Board/Committee calendar, Code of Conduct for Non-Executive Directors, Tata Code of Conduct for Prohibition of Insider Trading, etc. Meeting with Business /Functional Heads are organised to provide brief on the business/function.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes for its Directors including review of long-term strategy, industry outlook, regulatory updates at Board and Audit Committee Meetings, Presentations on Internal Control over Financial Reporting, Goods and Services Tax, Indian Accounting Standards, Risk Management Framework, Presentation on Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') and Controls at Registrar and Share Transfer Agent to the Stakeholders Relationship Committee, etc. Pursuant to Regulation 46 of the Listing Regulations, the details required are available on the website of the Company at the web link at [http://tatachemicals.com/upload/content\\_pdf/familiarisation-programme-hours-2017.pdf](http://tatachemicals.com/upload/content_pdf/familiarisation-programme-hours-2017.pdf).

### Re-appointment of Director

As required under Regulations 26(4) and 36(3) of the Listing Regulations, particulars of the Director seeking re-appointment are given in the Explanatory Statement to the Notice of the AGM.

### Code of Conduct

The Company has adopted the Tata Code of Conduct ('TCoC') for its Whole-time Directors, Senior Management Personnel and other Executives which is available on the website at <http://tatachemicals.com/About-Us/Governance/Code-of-conduct>. The Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act (Code for Independent Directors) and Regulation 17(5) of the Listing Regulations and the same is available on the Company's website at [http://tatachemicals.com/upload/content\\_pdf/TCOC-non-executive-directors.pdf](http://tatachemicals.com/upload/content_pdf/TCOC-non-executive-directors.pdf).

All the Board members and Senior Management of the Company as on 31 March, 2017 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the Managing Director forms part of this report.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Act as Non-Executive Directors, none of the Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates.

Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

## 3. AUDIT COMMITTEE

The Audit Committee's role shall flow directly from the Board of Directors' overview function on corporate governance, which holds the Management accountable to the Board and the Board, in turn, accountable to the shareholders. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditors and the cost auditors and notes the processes and safeguards employed by each of them. The Audit Committee functions according to its charter that defines its composition, authority, responsibilities and reporting functions.

All the items listed in Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and in Section 177 of the Act are covered in the terms of reference.

### Terms of Reference

The Audit Committee of the Company is responsible for supervising the Company's internal controls and financial reporting process and, *inter-alia*, performs the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc;
- Evaluate auditor's performance, qualification, independence and effectiveness of Audit process;
- Recommend to the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fees and also approval for payment of audit and non-audit services;
- Review the adequacy of internal audit and risk management function;
- Review the adequacy of internal control systems and ensure adherence thereto;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Tata Code of Conduct for Prevention of Insider Trading;
- Scrutinise inter-corporate loans and investments;
- Review the Company's compliance with the legal and regulatory requirements and the Tata Code of Conduct and effectiveness of the system for monitoring the same;
- Review the functioning of Whistleblower Mechanism of the Company which shall include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner;
- Review the significant related party transactions;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Board has adopted a charter of the Audit Committee for its functioning. The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of the Listing Regulations.

### Meetings Held

During FY 2016-17, 10 (ten) meetings of the Audit Committee were held on the 20 April, 2016, 24 May, 2016, 15 July, 2016, 3 August, 2016, 10 August, 2016, 26 September, 2016, 9 November, 2016, 19 January, 2017, 7 February, 2017 and 21 March, 2017.

The gap between two meetings did not exceed one hundred and twenty days.

### Composition and Attendance

Name of the Member	Category	No. of meetings attended
Mr. Nasser Munjee (Chairman)	ID	10
Mr. E. A. Kshirsagar*	ID	5
Dr. Y. S. P. Thorat	ID	10
Dr. Nirmalya Kumar <sup>^</sup>	NED	3
Mr. Bhaskar Bhat <sup>#</sup>	NED	1
Mr. S. Padmanabhan <sup>§</sup>	NED	1

ID - Independent Director; NED - Non-Executive Director

Notes:

- \* Mr. E.A. Kshirsagar ceased to be a Member w.e.f. 10 September, 2016 upon retirement

<sup>^</sup> Dr. Nirmalya Kumar was appointed as a Member w.e.f. 26 May, 2016 and ceased to be Member w.e.f. 31 October, 2016 due to his resignation as Director

<sup>#</sup> Mr. Bhaskar Bhat was appointed as a Member w.e.f. 1 November, 2016 and ceased to be a Member w.e.f. 10 November, 2016 due to his resignation as Director

<sup>§</sup> Mr. S. Padmanabhan was appointed as a Member w.e.f. 9 January, 2017

Mr. Nasser Munjee is an eminent Economist and leading banker. All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee. The composition of the Committee is in conformity with Section 177 of the Act and Regulation 18 (1) of the Listing Regulations.

The Chairman of the Audit Committee has one on one meeting both with the internal audit head and the statutory auditors to discuss key concerns on a quarterly basis.

The Managing Director & CEO, Chief Financial Officer, Statutory Auditor, Controller - Risk and Vice President & Group Corporate Controller attend and participate at all the meetings of the Committee. The Chief Operating Officers and Chief Human Resources Officer attend the meetings where Internal Audit Reports are discussed. The Committee from time to time also invites such of the executives, as it considers appropriate, to be present at the meetings.

During the year, the Committee reviewed the key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems to the Committee. The Audit Committee also reviewed the reports on leadership of business ethics, reports on dealings under Insider Trading Regulations and related party transactions. The Audit Committee also reviewed the allegations that followed the leadership transition at Tata Sons Limited (Promoter of the Company) and the correspondence between the Company and the Regulators and the queries raised in the representations under Section 169 of the Act by Mr. Cyrus P. Mistry and Mr. Nusli N. Wadia. Please refer the Board's Report which has dealt with this matter in detail. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee are placed in the next meeting of the Board.

Mr. Nasser Munjee, Chairman of the Audit Committee, was present at the last AGM held on 11 August, 2016.

#### 4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The purpose of the NRC is to oversee the selection of members of the Board based on criteria related to the specific requirement of expertise, independence and execution. Further, the role of NRC is also to identify and select senior management personnel one level below the Board. The NRC shall also evaluate the performance of the board members, inclusive of the executive members based on the expected performance criteria.

##### Terms of Reference

The terms of reference of the NRC, inter-alia, are:

- Make recommendations to the Board regarding the setup and composition of the Board;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and Individual Directors;
- Devise a policy on Board diversity;
- Recommend to the Board the appointment or reappointment of Directors;
- Recommend to the Board, the appointment of KMP and executive team members;
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team members of the Company;
- Review matters related to remuneration and benefits payable upon retirement and severance to the Managing Director/ Executive Director(s), KMP and executive team members;
- Oversee familiarisation programmes for Directors;
- Review HR and people strategy and its alignment with the business strategy periodically or when a change is made to either;
- Provide guidelines for remuneration of Directors on material subsidiaries;
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP and executive team members;
- Perform other activities related to the charter as requested by the Board from time to time.

The Board has adopted a charter of the NRC for its functioning.

##### Meetings Held

During FY 2016-17, 3 (three) meetings of NRC were held on 26 May, 2016, 10 November, 2016 and 29 March, 2017.

##### Composition and Attendance

The composition and the terms of reference of the NRC are in compliance with the provisions of Section 178 (1) of the Act and Regulation 19 of the Listing Regulations.

Name of the Member	Category	No. of meetings attended
Mr. Nusli N. Wadia (Chairman) <sup>@</sup>	ID	2
Mr. Cyrus P. Mistry <sup>#</sup>	NED	2
Dr. Y.S.P. Thorat (Chairman) <sup>^</sup>	ID	1
Mr. Nasser Munjee	ID	3
Mr. Bhaskar Bhat <sup>*</sup>	NED	2

ID - Independent Director; NED-Non-Executive Director

Notes:

<sup>@</sup> Mr. Nusli N. Wadia ceased to be Chairman and Member w.e.f. 23 December, 2016

<sup>#</sup> Mr. Cyrus P. Mistry ceased to be a Member w.e.f. 19 December, 2016 due to resignation

<sup>^</sup> Dr. Y.S.P. Thorat was appointed as Chairman w.e.f. 9 January, 2017

<sup>\*</sup> Mr. Bhaskar Bhat was appointed as a Member w.e.f. 9 January, 2017

Mr. Nusli N. Wadia, Chairman of the NRC, was present at the AGM of the Company held on 11 August, 2016.

##### Board and Director Evaluation

During the year, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.



The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process of the Board, its Committees and Directors. The criteria for Board Evaluation was based on the guidance note issued by SEBI and also included, inter-alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning.

### Criteria for Evaluation

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at the Board / Committee meetings and guidance / support to management outside the Board / Committee meetings. Criteria for evaluation of the Committees of the Board was based on the guidance note issued by SEBI and also included degree of fulfillment of key responsibilities, adequacy of committee composition and effectiveness of meetings.

The procedure followed for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report.

### Remuneration of Directors

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

### Managing Director & CEO

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director & CEO. Annual increments are recommended by the NRC within the salary scale approved by the members of the Company and are effective 1 April each year. NRC recommends on the commission payable to the Managing Director & CEO out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director & CEO.

### Details of Remuneration:

Name of the Director	Salary (₹)	Perquisites and Allowance (₹)	Commission* (₹)	Total Remuneration (₹)
Mr. R. Mukundan - Managing Director & CEO	85,80,000	1,49,38,578	2,80,00,000	5,15,18,578

Notes:

\*Commission relates to FY 2016-17, which will be paid during FY 2017-18

### Non-Executive Directors

During the FY 2016-17, the Company paid sitting fees of ₹ 30,000/- per meeting to the Non-Executive Directors for attending each meeting of the Board, Audit Committee and NRC; and ₹ 20,000/- per meeting for attending each meeting of Stakeholders Relationship Committee, Independent Directors Meetings, CSR, Safety and Sustainability Committee and Risk Management Committee.

The members have, at the AGM of the Company held on 26 August, 2013, approved the payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at the meetings. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

Details of Commission and Sitting Fees paid to the Non Whole-time Directors for the FY ended 31 March, 2017 is given below:

Name of the Director	Sitting Fees (₹)	Commission (for FY 2016-17 payable in FY 2017-18) (₹)
Mr. Cyrus P. Mistry	2,70,000 <sup>®</sup>	*
Mr. Nusli N. Wadia	2,30,000 <sup>®</sup>	**
Mr. Nasser Munjee	7,50,000	67,00,000
Mr. E. A. Kshirsagar ^	3,30,000	22,00,000
Dr. Y. S. P. Thorat	7,40,000	50,00,000
Ms. Vibha Paul Rishi	3,20,000	22,00,000
Dr. Nirmalya Kumar	1,80,000 <sup>®</sup>	*
Mr. Bhaskar Bhat	3,50,000	29,00,000
Mr. S. Padmanabhan <sup>#</sup>	1,10,000	10,00,000
<b>Total</b>	<b>32,80,000</b>	<b>2,00,00,000</b>

\* No commission was paid since Mr. Cyrus P. Mistry and Dr. Nirmalya Kumar were drawing remuneration from Tata Sons Limited

\*\* Since Mr. Nusli N. Wadia ceased to be a Director pursuant to the resolution passed by the members under Section 169 of the Act for his removal at the EGM held on 23 December, 2016, the Board of Directors decided not to pay commission to him for FY 2016-17

Notes:

<sup>®</sup> Mr. Cyrus P. Mistry resigned as a Chairman and Director w.e.f. 19 December, 2016, Dr. Nirmalya Kumar resigned w.e.f. 31 October,

2016 and Mr. Nusli N. Wadia ceased to be a Director w.e.f. 23 December, 2016

^ Mr. E. A. Kshirsagar retired as a Director w.e.f. 10 September, 2016

# Mr. S. Padmanabhan was appointed as a Director w.e.f. 23 December, 2016

As per the practice, commission to the Directors is paid after the annual accounts are adopted by the members at the AGM.

The Company has not granted any stock options to its Directors.

#### Service Contract, Severance Fees and Notice Period

Terms of Agreement of Managing Director & CEO	Mr. R. Mukundan
<b>Period of Contract</b>	5 years upto 25 November, 2018
<b>Severance fees / notice period</b>	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

#### Retirement Policy for Directors

The Governance Guidelines on Board effectiveness adopted by the Company provides for the retirement age of Directors. As per the Governance Guidelines, the Managing and Executive Directors retire at the age of 65 years, Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years subject to the tenure specified under Section 149 of the Act.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as under:

- To look into redressal of investors' complaints and requests such as transfer of shares / debentures, non-receipt of dividend, annual report, etc.
- To resolve the grievances of the security holders of the Company.

#### Meetings Held

During FY 2016-17, 1 (one) meeting of Stakeholders Relationship Committee was held on 29 March, 2017

#### Composition and Attendance

Name of the Member	Category	No. of meetings attended
Ms. Vibha Paul Rishi (Chairman) <sup>@</sup>	ID	1
Mr. S. Padmanabhan <sup>#</sup>	NED	1
Dr. Y. S. P. Thorat (Chairman) <sup>§</sup>	ID	-
Mr. R. Mukundan	MD	1

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO

Notes:

@ Ms. Vibha Paul Rishi was appointed as Chairman and Member w.e.f. 9 January, 2017

# Mr. S. Padmanabhan was appointed as Member w.e.f. 9 January, 2017

§ Dr. Y.S.P. Thorat ceased to be a Chairman and Member w.e.f. 9 January, 2017

Status of Investor Complaints as on 31 March, 2017 and reported under Regulation 13 (3) of the Listing Regulations is as under:

Complaints as on 1 April, 2016	:	1
Received during the year	:	27
Resolved during the year	:	25
Pending as on 31 March, 2017	:	3*

\* As on 26 May, 2017, 2 Complaints have been disposed off by SEBI based on the Action Taken Report uploaded on SCORES and 1 complaint was pending with SEBI for closure.

The correspondence identified as investor complaints are letters received through statutory / regulatory bodies and letters pertaining to fraudulent encashment etc.

#### Name, designation and address of the Compliance Officer

Mr. Rajiv Chandan  
General Counsel & Company Secretary  
Tata Chemicals Limited  
Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001  
Tel. No.: +91 22 6665 8282  
Fax No.: +91 22 6665 8144  
Email- investors@tatachemicals.com

On the recommendations of the Committee, the Company has taken various investor friendly initiatives like sending reminders to the investors who have not claimed their dividends, encourage dematerialisation of shares, etc.



## 6. EXECUTIVE COMMITTEE OF THE BOARD

### Terms of Reference

The terms of reference of the Executive Committee of the Board are as under:

- To periodically review the ongoing capital expenditure and the investments made by the Company;
- To examine new proposals for investments from the standpoint of their business and financial impact;
- To formulate the future strategic direction and business development of the Company.

In addition to the above terms of reference for this Committee, the Committee is expected to review the following items before they are presented to the Board:

- Business and Strategy of the Company;
- Long-term financial projections and cash flows;
- Capital and Revenue Budgets and Capital Expenditure programmes;
- Acquisitions, divestments and business restructuring proposals;
- Senior management succession planning;
- Any other item as may be decided by the Board.

### Meetings Held

No Meetings were held during FY 2016-17.

### Composition and Attendance

Name of the Member	Category
Mr. Cyrus P. Mistry (Chairman) <sup>@</sup>	NED
Mr. Nusli N. Wadia <sup>@</sup>	ID
Mr. Bhaskar Bhat <sup>^</sup>	NED
Dr. Y. S. P. Thorat	ID
Mr. R. Mukundan	MD

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO

Notes:

<sup>@</sup> Mr. Cyrus P. Mistry ceased to be Chairman w.e.f. 19 December, 2016 due to resignation and Mr. Nusli N. Wadia ceased to be a Member w.e.f. 23 December, 2016

<sup>^</sup> Mr. Bhaskar Bhat was appointed as a Member w.e.f. 9 January, 2017

## 7. CSR, SAFETY AND SUSTAINABILITY COMMITTEE

The main purpose of the CSR, Safety & Sustainability Committee is to review and monitor the corporate social responsibility programs, sustainable development, environmental, health and safety framework and activities of the Company and their implementation across Tata Chemicals Group.

### Terms of Reference

The terms of reference of the CSR, Safety and Sustainability Committee are as under:

- Provide guidance to the management to ensure that all long-term strategic proposals made to the Board include safety, health, environment and sustainability implications;
- Review and monitor the sustainability, environmental, safety and health policies and activities across the Tata Chemicals Group;
- Investigate or cause to be investigated, any extraordinary negative sustainability, environment, health and safety performance or issues of asset integrity which can impact safety, health, environment and sustainability where appropriate;
- Formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act and have oversight over its implementation;
- Recommend the amount to be spent on CSR activities;
- Monitor the Company's CSR policy periodically.

The Board has adopted a charter for the Committee for its smooth functioning. The Board has also adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

### Meetings Held

During FY 2016-17, 3 (three) meetings were held on 28 July, 2016, 20 October, 2016 and 19 January, 2017.

### Composition and Attendance

Name of the Member	Category	No. of meetings attended
Mr. S. Padmanabhan (Chairman) <sup>*</sup>	NED	-
Ms. Vibha Paul Rishi <sup>*</sup>	ID	1
Dr. Y. S. P. Thorat (Chairman) <sup>#</sup>	ID	2
Mr. Nasser Munjee <sup>^</sup>	ID	2
Mr. Bhaskar Bhat <sup>^</sup>	NED	1
Mr. R. Mukundan	MD	3

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO

Notes:

<sup>\*</sup> Mr. S. Padmanabhan was appointed as the Chairman and Member and Ms. Vibha Paul Rishi was appointed as a Member w.e.f. 9 January, 2017

# Dr. Y. S. P. Thorat ceased to be Chairman and Member w.e.f. 9 January, 2017

^ Mr. Bhaskar Bhat and Mr. Nasser Munjee ceased to be a Member w.e.f. 10 November, 2016 and 9 January, 2017 respectively.

Chief-Safety and Chief-CSR & Sustainability are the permanent invitees to the meetings of the Committee. The General Counsel & Company Secretary attends the meetings.

## 8. RISK MANAGEMENT COMMITTEE (RMC)

Regulation 21 of the Listing Regulations mandates top 100 listed entities based on market capitalisation as at the end of the immediate previous financial year to constitute the RMC. Although non-mandatory, the Company has constituted a RMC of the Board in February 2015. The roles and responsibilities of the Committee are as per the charter adopted by the Board and includes monitoring and review of the risk management plan and reporting the same to the Board periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time.

RMC assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls. RMC through the Enterprise Risk Management in the Company seeks to minimize adverse impact on the business objectives and enhance stakeholder value.

### Terms of Reference

The terms of reference of the RMC are as under:

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management;
- Review and approve the Enterprise Risk Management (ERM) framework;
- Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organisation;
- Review compliance with risk policies, monitor breach / trigger trips of risk tolerance limits and directs action;
- Nurture a healthy and independent risk management function in the Company.

The Board has adopted a charter for the functioning of the RMC in accordance with Regulation 21 of the Listing Regulations.

## Meetings Held

During FY 2016-17, 6 (six) meetings were held on 13 April, 2016, 14 June, 2016, 2 September, 2016, 9 November, 2016, 13 December, 2016 and 19 January, 2017.

## Composition and Attendance

Name of the Member	Category	No. of meeting attended
Dr. Y.S.P. Thorat (Chairman)*	ID	3
Mr. Nasser Munjee*	ID	2
Mr. E. A. Kshirsagar#	ID	3
Dr. Nirmalya Kumar^	NED	-
Mr. S. Padmanabhan*	NED	-
Mr. R. Mukundan	MD	6
Mr. John Mulhall	CFO	6

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director & CEO; CFO - Chief Financial Officer

### Notes:

\* Dr. Y.S.P. Thorat was appointed as Chairman and Member w.e.f. 7 October, 2016; Mr. Nasser Munjee was appointed as Member w.e.f. 7 October, 2016 and Mr. S. Padmanabhan was appointed as Member w.e.f. 9 January, 2017

# Mr. E.A. Kshirsagar ceased to be Chairman and Member w.e.f. 10 September, 2016 upon his retirement as Director

^ Dr. Nirmalya Kumar was appointed as a Member w.e.f. 7 October, 2016 and ceased to be a Member w.e.f. 31 October, 2016 upon his resignation as Director

The Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Chapter of this Annual Report.

## 9. SUBSIDIARY COMPANIES

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, Independent Directors have been appointed on the Board of key operating subsidiaries. The minutes of Board Meetings of subsidiaries are placed before the Board of the Company

for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at the following web link: [http://tatachemicals.com/upload/content\\_pdf/material\\_subsidary.pdf](http://tatachemicals.com/upload/content_pdf/material_subsidary.pdf).

## 10. GENERAL BODY MEETINGS

Location, day, date and time of AGMs held during the last 3 years and special resolutions passed are given as below:

Year	Location	Day, Date and Time	Special Resolutions
2015-16	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Thursday, 11 August, 2016 at 3.00 p.m.	There was no matter that required passing of Special Resolution
2014-15	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Tuesday, 11 August, 2015 at 3.00 p.m.	There was no matter that required passing of Special Resolution
2013-14	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Thursday, 21 August, 2014 at 3.00 p.m.	(i) Approve borrowing limits of the Company (ii) Creation of Charge on the assets of the Company (iii) Offer or invitation to subscribe to Non-Convertible Debentures on Private Placement

An Extraordinary General Meeting of the Company was held on 23 December, 2016 at 3:00 p.m. at Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020 on the requisition of Tata Sons Limited under Section 169 and other applicable provisions of the Companies Act, 2013 for removal of Mr. Nusli N. Wadia as a Director.

## Postal Ballot

During FY 2016-17, no resolution was put through by postal ballot.

None of the businesses proposed to be transacted in the ensuing AGM requires the passing of a Special Resolution by way of postal ballot.

## 11. MEANS OF COMMUNICATION

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.

The quarterly / half-yearly / annual results were published at least in one English newspaper on the next day of the meeting for that quarter i.e. for quarter and year ended 31 March, 2016, the results were published on 27 May, 2016, for the first quarter ended 30 June, 2016 the results were published on 6 August, 2016, for second quarter ended 30 September, 2016 the results were published on 11 November, 2016 and for the third quarter ended 31 December, 2016 the results were published on 9 February, 2017.

The quarterly results are published in the Indian Express (English), Business Standard (English), Business Line (English), Loksatta (Marathi), Free Press Journal (English) and Navshakti (Marathi).

The financial results are displayed under 'Investors' section of the Company's website viz., [www.tatachemicals.com](http://www.tatachemicals.com). They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online Portal.

The Managing Director and Chief Financial Officer hold quarterly briefs with analysts, shareholders and major stakeholders, where Company performance is discussed. The official press releases, presentation made to the members at the AGM, the presentation made to the institutional investors and analysts and the transcripts of the call with analysts for quarterly/annual results are available on the Company's website under 'Investors' section.

## Company's Website

The Company's website is a comprehensive reference on Tata Chemicals' management, vision, mission, policies, corporate governance, corporate sustainability, investors, updates and news. The section on 'Investors' serves to inform the members by giving complete financial details, annual reports, shareholding patterns, presentation made to institutional investors and analysts, corporate benefits, information relating to stock exchanges, Registrar and Share

Transfer Agents, etc. The section on 'Media' includes all major press releases, awards and campaigns.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE Limited through BSE Online Portal. They are also displayed on the Company's website under the 'Investors' section.

The Company has also uploaded the names of the members and the details of the unclaimed dividend by the members on its website. The members can log in and find out whether their dividend for any of the years is outstanding. The link for the same is - <http://tatachemicals.com/html/Investors/unclaimed-dividends.html>. Information about unclaimed/unpaid dividends and unclaimed shares to be transferred to IEPF is provided in the notes to the Notice of AGM.

## 12. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24239MH1939PLC002893.

### Annual General Meeting date, time and venue

<b>Date and Time</b>	: Wednesday, 9 August, 2017 at 3.00 p.m.
<b>Venue</b>	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020
<b>Financial Year</b>	: April to March
<b>Book Closure Date</b>	: Wednesday, 2 August, 2017 to Wednesday, 9 August, 2017 (both days inclusive for the purpose of AGM and Dividend)
<b>Dividend payment date</b>	: On or after Friday, 11 August, 2017
<b>Listing on Stock Exchanges</b>	: (a) The Company's Ordinary Shares are listed on the following Stock Exchanges: <ul style="list-style-type: none"> <li>(1) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.</li> <li>(2) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.</li> </ul> (b) Non Convertible Debentures (NCDs) The Company's NCDs are listed on the following Stock Exchange under Debt segment : <ul style="list-style-type: none"> <li>(1) The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.</li> </ul> The Company has paid the Annual Listing fees to these Stock Exchanges for FY 2016-17.
<b>Debenture Trustee</b>	: IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001. Tel: +91 22 4080 7000, Fax: +91 22 6631 1776

### Stock Code:

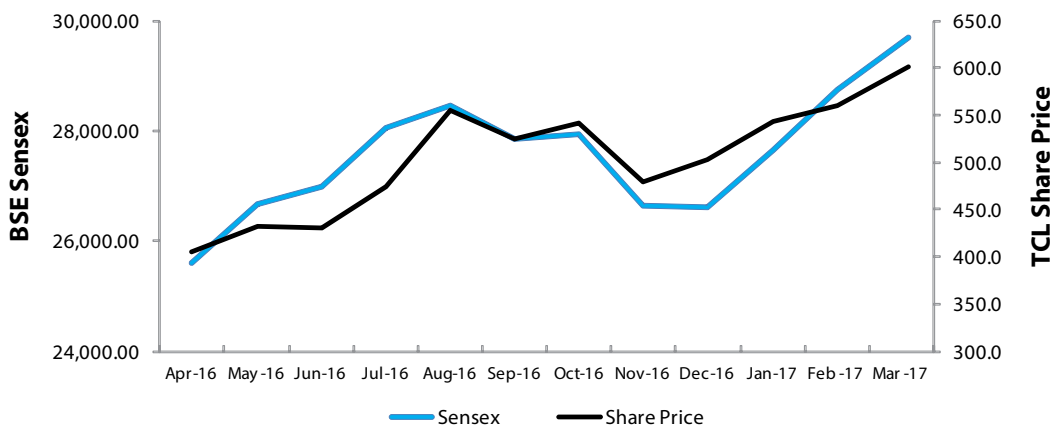
BSE Limited (Physical Segment)	: TATACHM770
BSE Limited (Demat Segment)	: 500770
The National Stock Exchange of India Limited	: TATACHEM EQ
International Securities Identification Number (ISIN) in NSDL and CDSL	: INE092A01019 (Ordinary Shares) : INE092A08055 (NCDs)

### Market Price Data:

Market price data - monthly high / low of BSE / NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder:

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
Apr-16	430.40	360.10	430.25	359.25
May-16	454.90	396.40	454.90	396.20
Jun-16	440.40	401.00	437.50	400.25
Jul-16	478.25	428.20	478.45	427.60
Aug-16	572.00	450.00	572.65	449.65
Sep-16	574.80	504.00	576.00	504.40
Oct-16	585.10	519.90	586.10	524.25
Nov-16	554.00	445.50	554.00	444.50
Dec-16	512.75	468.00	513.00	467.70
Jan-17	549.20	500.60	549.40	500.10
Feb-17	590.85	539.60	591.00	540.10
Mar-17	606.30	549.00	606.50	549.65

### Graphical Representation of Performance of Tata Chemicals Limited's Share Price (average of closing price of BSE and NSE) in comparison with BSE Sensex.



### Registrar and Share Transfer Agents

Members are requested to correspond with the Company's Registrar and Share Transfer Agents - TSR Darashaw Limited quoting their folio no. / DP ID and Client ID at the following addresses:-

- (i) For transfer lodgement, delivery and correspondence:

TSR DARASHAW LIMITED  
Unit: **Tata Chemicals Limited**  
6-10 Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road, Mahalaxmi,  
Mumbai 400 011

Tel.: + 91 22 6656 8484 / 6617 8411/ 12/13/14  
Fax: + 91 22 6656 8494  
Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

- (ii) For the convenience of members based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices/ agencies of TSR Darashaw Limited (TSRD):

<p><b>1. TSR Darashaw Limited</b> 503, Barton Centre, (5th Floor), 84, Mahatma Gandhi Road, Bengaluru 560 001. Tel.: + 91 80 2532 0321 Fax: + 91 80 2558 0019 Email: tsrdlbang@tsrdarashaw.com</p>	<p><b>2. TSR Darashaw Limited</b> Tata Centre, 1st Floor, 43, J. L. Nehru Road, Kolkata 700 071. Tel.: + 91 33 2288 3087 Fax: + 91 33 2288 3062 Email: tsrdlcal@tsrdarashaw.com</p>	<p><b>5. Agent of TSRDL</b> Shah Consultancy Services Limited 3, Sumatinath Complex, 2nd Dhal, Pritam Nagar, Ellisbridge, Ahmedabad 380 006. Telefax: + 91 79 2657 6038 Email: shahconsultancy8154@gmail.com</p>
<p><b>3. TSR Darashaw Limited</b> 2/42, Ansari Road, 1st Floor, Daryaganj, Sant Vihar, New Delhi 110 002. Tel.: + 91 11 2327 1805 Fax: + 91 11 2327 1802 Email: tsrdldel@tsrdarashaw.com</p>	<p><b>4. TSR Darashaw Limited</b> 'E' Road, Northern Town, Bistupur, Jamshedpur 831 001. Tel.: + 91 657 242 6616 Fax: + 91 657 242 6937 Email: tsrdljsr@tsrdarashaw.com</p>	

### Share Transfer Process

Shares in physical forms are processed by the Registrar and Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director & CEO, General Counsel & Company Secretary and Head-Secretarial have been severally empowered to approve transfers.

### Secretarial Audit

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half- yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- Mr. P. N. Parikh of Parikh & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2016-17. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

### Distribution of Shareholding as on 31 March, 2017

Range of Holdings	Number of Shares	Amount (₹)	% to capital	Number of Shareholders	% of Shareholders
1 to 500	1,76,13,525	17,61,35,250	6.91	1,62,231	89.60
501 to 1,000	74,34,601	7,43,46,010	2.92	9,952	5.50
1,001 to 2,000	70,85,422	7,08,54,220	2.78	4,925	2.72
2,001 to 3,000	38,71,915	3,87,19,150	1.52	1,557	0.86
3,001 to 4,000	23,85,817	2,38,58,170	0.94	678	0.37
4,001 to 5,000	20,72,778	2,07,27,780	0.81	453	0.25
5,001 to 10,000	50,27,524	5,02,75,240	1.97	711	0.39
Above 10,000	20,92,64,696	2,09,26,46,960	82.14	557	0.31
<b>Total</b>	<b>2,54,756,278</b>	<b>2,54,75,62,780</b>	<b>100.00</b>	<b>1,81,064</b>	<b>100.00</b>



### Category of Shareholding as on 31 March, 2017

Category	Number of Shares	Percentage
Promoter and promoter group	784,72,357	30.80
Resident Individuals	4,64,41,726	18.24
Foreign Holdings	4,60,56,523	18.08
Public Financial Institutions	2,08,16,825	8.18
Government / Government Companies	14,30,684	0.56
Other Companies, Mutual Funds	6,13,38,185	24.07
Nationalised Banks	1,87,612	0.07
Bodies Corporate-Non Banking Financial Company	12,366	0.00
<b>Total</b>	<b>25,47,56,278</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. NSDL and CDSL.

Percentage of Shares held in Physical form	:	2.94
Electronic form with NSDL	:	93.67
Electronic form with CDSL	:	3.39

The Company's Ordinary shares are regularly traded on the BSE and NSE.

### Plant Locations

#### Indian Locations:

Chemicals Division	:	Mithapur 361 345, Okhamandal, Gujarat
Fertiliser Division	:	(i) Indira Dham, P. O. Box No. 1, Babrala 202 521, Dist. Badaun, Uttar Pradesh
	:	(ii) P. O. Durgachak, Haldia, Dist. East Midnapore, West Bengal - 721 602
Nutritional Solutions Division	:	317/2B, 317/2 C1, 317/2 C2, Vayalur Road, Kiloy Village, Sriperumbudur Taluk, Kancheepuram, Dist. - 602 105

#### Overseas Locations :

USA - Chemical Soda Ash	:	Tata Chemicals Soda Ash Partners, Green River Basin, Wyoming
UK - Chemicals	:	Tata Chemicals Europe :
		(i) Northwich East (Lostock)
		(ii) Northwich West
		(iii) Middlewich
Kenya - Chemicals	:	Tata Chemicals Magadi Limited, Lake Magadi, Kenya

**Address for correspondence** : Tata Chemicals Limited, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.  
Email : investors@tatachemicals.com website: www.tatachemicals.com

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity - None

## 13. COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Commodity price risk and hedging activities - Tata Chemicals Limited, India purchases a variety of commodities related to raw materials and finished products for trading. The Company manages the associated commodity price risks through commercial negotiation with customers and suppliers.

Foreign Exchange risk and hedging activities - Tata Chemicals Limited, India is exposed to foreign exchange risks on its imports of raw materials / trading goods / capital item purchases and borrowings denominated in foreign exchange. The Company has a robust internal policy, approved by its Audit Committee, to manage foreign exchange risks. Hedging is regularly carried out to mitigate the risks in line with the approved policy.

## 14. OTHER DISCLOSURES

### Related Party Transactions

All related party transactions that were entered into during the FY 2016-17 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may

have a potential conflict with the interest of the Company at large.

The policy on related party transactions as approved by the Board is uploaded on the Company's website and the link for the same is [http://www.tatachemicals.com/upload/content\\_pdf/tcl\\_rpt\\_policy.pdf](http://www.tatachemicals.com/upload/content_pdf/tcl_rpt_policy.pdf).

#### **Statutory Compliance, Penalties and Strictures**

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

#### **Whistleblower Policy and Vigil Mechanism**

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. No personnel of the Company has been denied access to the Audit Committee.

#### **Tata Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company.

Mr. Rajiv Chandan, General Counsel & Company Secretary, has been appointed as the 'Compliance Officer' for ensuring the compliance with and for the effective implementation of the Regulations and the Code across the Company. Mr. John Mulhall, Chief Financial Officer, has been designated as the 'Chief Investor Relations Officer' to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information.

The details of dealing in the Company's securities by Designated Persons are placed before the Audit Committee on quarterly basis.

#### **Anti-Bribery and Anti-Money Laundering Policy**

The Company has, from time to time, taken important steps for establishing and reinforcing a culture of business ethics. In view of our increasing global footprint and align our work practices with regulations mandated for such multi-geography operations, the Board has during the year adopted the Anti-Bribery and Anti-Corruption Policy along with the Anti-Money Laundering Policy.

The above policies require the Company to appoint a senior official as the Compliance Officer who shall be responsible

for implementation of the Policies. Under the above Policies, Compliance Officers have a functional reporting about any violation of the Policies to the Chairman of the Audit Committee. Aggravated cases of breach of the said Policies shall be escalated to the Board of Directors of the Company.

#### **Policies under the Listing Regulations**

Policy on Determination of Materiality for Disclosure as per Regulation 23 of the Listing Regulations and policy on Archival and Preservation of Documents as required under Regulation 9 of the Listing Regulations are available on the website of the Company.

#### **Accounting Treatment in preparation of Financial Statements**

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

#### **CEO / CFO Certification**

The Managing Director (CEO) and the Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31 March, 2017.

#### **Mandatory Requirements**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

#### **Non-Mandatory Requirements**

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27 (1) read with Part E of Schedule II of the Listing Regulations is as under:

- Chairman of the Board - The Non-Executive Chairman maintained a separate office, for which the Company did not reimburse expenses.
- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- The position of the Chairman and the Managing Director remained separate.
- The Internal Auditor reports to the Audit Committee.

## DECLARATION BY THE MANAGING DIRECTOR

I, R. Mukundan, Managing Director & CEO of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31 March, 2017.

For Tata Chemicals Limited

**R. Mukundan**

Managing Director & CEO

Mumbai, 26 May, 2017

## INDEPENDENT AUDITOR'S CERTIFICATE

### TO THE MEMBERS OF TATA CHEMICALS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. SVP1516A dated 12 September, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Tata Chemicals Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Managements' Responsibility

1. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

2. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
4. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2017.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

**Sanjiv V. Pilgaonkar**

Partner

(Membership No.039826)

Mumbai, 26 May, 2017