

Corporate Governance Report

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

- J.R.D. Tata

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company has over the years followed best practices of Corporate Governance. The Company is committed to the Tata Code of Conduct ('TCoC') enunciated by the Tata Group. TCoC articulates values and ideals that guide and govern the conduct of the Tata companies as well as its employees in all matters relating to business. The Company's overall governance framework, systems and processes reflect and support our Mission, Vision and Values.

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 and the Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

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 Guidelines on Board Effectiveness ('Governance Guidelines' or 'Guidelines') to fulfill its responsibilities towards its stakeholders.

The Company has disclosed 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable, with regard to Corporate Governance. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

Board of Directors

The composition and category of Directors, attendance at the last Annual General Meeting ('AGM') for the Financial Year ('FY') 2017-18 and the number of Directorships and Committee Chairmanships/Memberships held by them as on 31 March, 2018 are as follows:

Name of the Director	Category of the Director	Directors' Identification Number	Whether attended AGM on 9 August, 2017	Number of directorships in other public limited companies*		Number of committee positions held in other public limited companies**	
				Chairman	Member	Chairman	Member
Mr. Bhaskar Bhat	Non-Independent, Non-Executive	00148778	Yes	3	6	-	3
Mr. Nasser Munjee	Independent, Non-Executive	00010180	Yes	2	5	4	1
Dr. Y. S. P. Thorat	Independent, Non-Executive	02652734	Yes	-	3	1	2
Ms. Vibha Paul Rishi	Independent, Non-Executive	05180796	Yes	-	9	-	5
Mr. S. Padmanabhan	Non-Independent, Non-Executive	00306299	Yes	2	3	-	1
Mr. R. Mukundan	Managing Director & CEO	00778253	Yes	-	3	-	-

* 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 and Stakeholders Relationship Committees in listed/unlisted public limited companies

Notes:

Ms. Padmini Khare Kaicker (DIN: 00296388) was appointed as an Additional and Independent Non-Executive Director of the Company with effect from 1 April, 2018.

Mr. Zarir Langrana (DIN: 06362438) was appointed as an Additional and Executive Director of the Company with effect from 1 April, 2018.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board of Directors of the Company is totally committed to the best practices within the Company for effective corporate governance practices. The Board regularly reviews and updates corporate governance practices to accommodate developments within the market place in general and the business in particular.

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. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board.

As on 31 March, 2018, the Board comprised six Directors, out of which five are Non-Executive Directors and one Managing Director & CEO. 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 possess 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.

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 and there are no inter-se relationships between our Directors.

As on 31 March, 2018, except Mr. Mukundan who is holding 500 ordinary shares of the Company, no other Director is holding any shares in the Company. Further, Mr. Zarir Langrana, who was appointed as an Executive Director of the Company with effect from 1 April, 2018 also holds 3,666 ordinary shares of the Company. The Company has not issued any convertible instruments.

The Seventy-Eighth AGM of the Company was held on 9 August, 2017.

Board Procedure

The calendar of meetings of the Board and Committees is agreed upon at the beginning of the year.

The Company Secretary tracks and monitors 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, circulation of material in advance, detailed presentations at the meetings and tracking of action taken reports at every meeting. Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees, which brings in the requisite accountability and also provide developmental inputs.

The Board plays a critical role in the strategy development of the Company. 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, business performance of the Company and its key subsidiaries, technology and innovation, quality, customer centricity, capital expenditure budgets and risk management, safety and environment matters. Amongst other things, the Board 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, corporate restructuring, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs/write-backs, 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, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

All the Board and Committee meetings conducted are paperless meetings with documents securely uploaded on the Board Application and accessed through an iPad. This has resulted in saving paper, reducing the cycle time to make documents available to the Board/Committee Members and

increasing confidentiality.

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

Board Meetings Held

The Board met 9 (nine) times during the FY 2017-18 on 26 May, 2017, 8 August, 2017, 27 September, 2017, 13 October, 2017, 6 November, 2017, 13 November, 2017, 6 February, 2018 and 23 March, 2018 (2 meetings).

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

Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Mr. Bhaskar Bhat	NED	9	100
Mr. Nasser Munjee	ID	8	89
Dr. Y. S. P. Thorat	ID	9	100
Ms. Vibha Paul Rishi	ID	9	100
Mr. S. Padmanabhan	NED	8	89
Mr. R. Mukundan	MD	9	100

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

During the year under review, the Board elected Mr. Bhaskar Bhat as Chairman for each of the above meetings as the Company did not have a Chairman of the Board.

Guidelines for Board Effectiveness

The Company has adopted the Governance Guidelines to fulfill its responsibilities towards its stakeholders. The Guidelines are based on current and emerging best practices and have been prepared in line with the regulatory provisions as per the Act as well as Listing Regulations. These Guidelines provide for nomination of Directors/senior executives, composition and roles of the Board, Chairman and Directors, Board diversity, Board evaluation, retirement age of Directors and aspects relating to Committees of the Board.

INDEPENDENT DIRECTORS

Meeting of Independent Directors

During the year under review, one meeting of Independent Directors of the Company without the presence of Non-Independent Directors and members of management was held on 23 March, 2018 as required under Schedule IV of the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. At their meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, Chairman (as elected by the Board for each meeting of the Board of Directors) after taking the views of Executive Director(s) and Non-Executive Directors and also assessed 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 meeting(s) attended
Mr. Nasser Munjee	1
Dr. Y.S.P. Thorat	1
Ms. Vibha Paul Rishi	1

Terms and Conditions of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations. Formal letters of appointment were issued to the above Independent Directors. As required by Regulation 46 of the Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at www.tatachemicals.com.

None of the Directors on the Board serve as an Independent Director in more than seven listed companies. 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 include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis. An induction kit is provided 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 Meeting calendar, Code of Conduct for Non-Executive Directors including Independent Directors, Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, 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 Digitalisation and IT Strategy, Tata Business Excellence Model Assessment, Goods and Service Tax, Cyber Security, Tax Litigation and updates, etc. Besides the above, presentation on risk management, HR processes, safety and sustainability initiatives of the Company are made at their respective committees where some of the Independent Directors are also members. During the year, certain Directors including Independent Directors visited overseas subsidiaries' plants in USA, UK and met the leadership teams there. The Directors spent entire day at the respective plants to get a deeper insight in the operations of the overseas subsidiaries. Some of the Directors including Independent Directors visited

the Company's Sriperumbudur Plant near Chennai and also the new facility coming up in Nellore, Andhra Pradesh.

Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programme are available on the website of the Company at www.tatachemicals.com.

Appointment/Re-appointment of Directors

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

Code of Conduct

The Company has adopted the TCoC for its Whole-time Directors, Senior Management Personnel and other Executives which is available on the website at www.tatachemicals.com. 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 www.tatachemicals.com.

As on 31 March, 2018, all the Board members and Senior Management of the Company 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 is to assist the Board fulfill its corporate governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. Accordingly, the Company has constituted its Audit Committee which is in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

The Audit Committee functions according to its charter/terms of reference that defines its composition, authority, responsibilities and reporting functions. The Board has adopted a charter of the Audit Committee for its functioning. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in its 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;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;
- 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;
- Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit;
- Evaluate auditors' 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;
- 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;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Tata Code of Conduct for Prevention of Insider Trading;
- 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;

- 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 Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations.

Meetings Held

During FY 2017-18, 8 (eight) meetings of the Audit Committee were held on 18 April, 2017, 25 May, 2017, 18 July, 2017, 8 August, 2017, 10 November, 2017, 18 January, 2018, 5 February, 2018 and 26 February, 2018.

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	Attendance (%)
Mr. Nasser Munjee (Chairman)	ID	8	100
Dr. Y. S. P. Thorat	ID	8	100
Mr. S. Padmanabhan	NED	7	88

ID - Independent Director; NED - Non-Executive Director

Note:

Ms. Padmini Khare Kaicker, Independent Director, was appointed as a member w.e.f. 1 April, 2018

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 Audit 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 meetings both with the internal auditor and the statutory auditors to discuss key concerns on periodic basis.

The Managing Director & CEO, Executive Director, Chief Financial Officer, Statutory Auditor, Controller - Risk & Internal Auditor and Vice President & Group Corporate Controller attend and participate in 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 Prohibition of Insider Trading Regulations and related party

transactions. 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 Meeting 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 9 August, 2017.

4. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise, independence and execution. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

Terms of Reference

The Board has adopted a charter of the NRC for its smooth functioning covering aspects relating to composition, responsibilities, evaluation process, remuneration, Board development and reviewing HR strategy. The key terms of reference of the NRC, *inter alia*, are:

- Make recommendations to the Board regarding the setup and composition of the Board;
- Identify 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;
- 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;
- Support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and Individual Directors;
- Formulate criteria for evaluation of Directors and the Board;
- Recommend to the Board, the appointment of KMP and executive team members;
- 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;
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team members of the Company;
- Devise a policy on Board diversity;
- Recommend to the Board the appointment or re-appointment of Directors;
- Review matters related to remuneration and benefits payable upon retirement and severance to the Managing Director/Executive Director(s), KMP and executive team members;

- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, 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;
- Perform other activities related to the charter as requested by the Board from time to time.

Meetings Held

During FY 2017-18, 4 (four) meetings of NRC were held on 26 May, 2017, 24 November, 2017 and 23 March, 2018 (2 meetings).

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	Attendance (%)
Dr. Y.S.P.Thorat (Chairman)	ID	4	100
Mr. Nasser Munjee	ID	3	75
Mr. Bhaskar Bhat	NED	4	100

ID - Independent Director; NED - Non-Executive Director

Dr. Y. S. P.Thorat, Chairman of the NRC, was present at the last AGM held on 9 August, 2017.

Board and Director Evaluation

During the year under review, 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 which, *inter alia*, included questionnaire on structure of the Board, meetings of the Board, functions of the Board and Management.

Criteria for Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Listing Regulations. The performance of the Board was evaluated after seeking inputs from all the directors on the basis of criteria such as the board composition and structure,

effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January, 2017.

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 of Mr. R. Mukundan, Managing Director & CEO

Salary (₹)	Perquisites and Allowance (₹)	Commission* (₹)	Total Remuneration (₹)
96,00,000	1,58,31,282	3,30,00,000	5,84,31,282

* Commission relates to FY 2017-18, which will be paid during FY 2018-19

Non-Executive Directors

During FY 2017-18, 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 had, 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 Financial Year ended 31 March, 2018 is given below:

Name of the Director	Sitting Fees (₹)	Commission (for FY 2017-18 payable in FY 2018-19) (₹)
Mr. Bhaskar Bhat	3,90,000	*
Mr. Nasser Munjee	6,50,000	75,00,000
Dr. Y. S. P. Thorat	7,10,000	75,00,000
Ms. Vibha Paul Rishi	3,90,000	40,00,000
Mr. S. Padmanabhan	6,10,000	*
Total	27,50,000	1,90,00,000

* In line with the internal guidelines, no payment is made towards commission to Mr. Bhaskar Bhat and Mr. S. Padmanabhan, Non-Executive Directors of the Company, who are in full-time employment with other Tata companies.

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 of Mr. R. Mukundan, Managing Director & CEO

Period of Contract	5 years upto 25 November, 2018
Severance fees/notice period	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 ('SRC') 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 2017-18, 2 (two) meetings of Stakeholders Relationship Committee were held on 14 June, 2017 and 9 March, 2018.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Ms. Vibha Paul Rishi (Chairperson)	ID	2	100
Mr. S. Padmanabhan	NED	2	100
Mr. R. Mukundan	MD	2	100

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

Status of Investor Complaints as on 31 March, 2018 and reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints as on 1 April, 2017	3
Received during the year	36
Resolved during the year	39
Pending as on 31 March, 2018	0

The complaints have been solved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies and letters pertaining to fraudulent encashment.

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 66658282

Fax No.: +91 22 66658144

Email: investors@tatachemicals.com

On the recommendations of the SRC, 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. CSR, SAFETY AND SUSTAINABILITY COMMITTEE

The CSR, Safety and Sustainability ('CSS') Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes, health and safety framework and sustainable development. The overall roadmap, as well as specific issues of concern including those related to safety and climate change is reviewed in detail. The scope of the CSS Committee also includes approving the budget of CSR, reviewing the CSR programmes and monitoring the CSR spends.

Terms of Reference

The terms of reference of the CSR, Safety and Sustainability Committee, *inter alia*, 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 CSS Committee for its smooth functioning. The Board has also adopted the CSR Policy as formulated and recommended by the CSS 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 2017-18, 3 (three) meetings were held on 14 June, 2017, 24 November, 2017 and 9 March, 2018.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Mr. S. Padmanabhan (Chairman)	NED	3	100
Ms. Vibha Paul Rishi	ID	3	100
Mr. R. Mukundan	MD	3	100

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

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

7. RISK MANAGEMENT COMMITTEE

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 Risk Management Committee ('RMC'). Although non-mandatory, the Company has constituted a RMC of the Board in February, 2015.

The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management process and controls. RMC, through the Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. The Board has adopted a charter for the functioning of the RMC covering the composition, meetings, quorum, responsibilities, etc.

Terms of Reference

The terms of reference of the RMC, *inter alia*, 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 and provide oversight of risk across organisation;
- Review compliance with risk policies, monitor breach/trigger trips of risk tolerance limits and direct action;
- Nurture a healthy and independent risk management function in the Company.

Meetings Held

During FY 2017-18, 3 (three) meetings were held on 18 April, 2017, 18 July, 2017 and 18 January, 2018.

Composition and Attendance

Name of the Member	Category	No. of meetings attended	Attendance (%)
Dr. Y.S.P. Thorat (Chairman)	ID	3	100
Mr. Nasser Munjee	ID	3	100
Mr. S. Padmanabhan	NED	3	100
Mr. R. Mukundan	MD	3	100
Mr. John Mulhall	CFO	3	100

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

Notes:

Mr. Nasser Munjee has ceased to be a member of RMC with effect from 1 April, 2018 and Mr. Zarir Langrana has been inducted as a member of RMC with effect from 1 April, 2018.

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.

8. 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 www.tatachemicals.com. The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

9. GENERAL BODY MEETINGS

Day, date and time of AGMs held during the last 3 years and Special Resolutions passed are given as below:

Year	Day and Date	Time	Special Resolutions
2016-17	Wednesday, 9 August, 2017	3.00 p.m.	There was no matter that required passing of Special Resolution
2015-16	Thursday, 11 August, 2016	3.00 p.m.	There was no matter that required passing of Special Resolution
2014-15	Tuesday, 11 August, 2015	3.00 p.m.	There was no matter that required passing of Special Resolution

The above meetings were held at Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.

- A National Company Law Tribunal convened Meeting of the equity shareholders of the Company was held on 8 May, 2017 at 3:00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai 400 020 pursuant to the Order dated 1 March, 2017 of the Hon'ble National Company Law Tribunal, Mumbai, for obtaining the approval of the Members of the Company by requisite majority for the Scheme of Arrangement between Tata Chemicals Limited and Yara Fertilisers India Private Limited under Sections 230 to 232 of the Companies Act, 2013 for sale of Urea and Customised Fertilisers business of the Company.

Postal Ballot

- During the year, pursuant to Sections 230-232 read with Section 110 of the Act and Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company had provided the facility of remote e-voting and Postal Ballot to its Members as well as facility of voting through electronic voting at the venue of the Meeting for obtaining the approval of the Members of the Company by requisite majority for the Scheme of Arrangement between Tata Chemicals Limited and Yara Fertilisers India Private Limited for sale of Urea and Customised Fertilisers business of the Company ('Scheme of Arrangement').

The Company had appointed Mr. P. N. Parikh of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer.

The Company had sent the Notice dated 1 April, 2017 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Equity Shareholders on the cut-off date i.e. 1 April, 2017. The voting period for remote e-voting as well as postal ballot commenced on Saturday, 8 April, 2017 and ended on Sunday, 7 May, 2017 and the NSDL e-voting platform was blocked thereafter.

On 8 May, 2017, at the venue of the NCLT convened meeting, the consolidated report on the result of the remote e-voting/postal ballot forms and the voting conducted at the venue of the NCLT convened meeting in respect of the resolution for approving the Scheme of Arrangement was provided by the scrutinizer and result was announced as under:

In favour		Against	
Percentage of members voted	Percentage of valid Votes	Percentage of members voted	Percentage of valid Votes
95.65	99.99	4.35	0.01

- b) During FY 2017-18, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company passed the special resolution under Section 180(1)(a) of the Act for sale of Phosphatic Fertiliser business and Trading business ('Divestment') on a going concern, by way of a slump sale, through postal ballot. The Company had appointed Mr. P. N. Parikh of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer for conducting the postal ballot voting process (including e-voting).

The Company had sent the Postal Ballot Notice dated 24 November, 2017 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode. The voting under the postal ballot/e-voting was kept open from 12 December, 2017 to 10 January, 2018 (either physically or through electronic mode). All postal ballot forms received up to the close of working hours on 10 January, 2018, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny.

On 10 January, 2018, proposal for the above divestment was passed by way of a special resolution and the results for the postal ballot were announced as under:

In favour			Against		
Total no. of members voted	No. of valid Votes	%	Total no. of members voted	No. of valid Votes	%
1,829	16,80,53,505	99.52	90	8,03,139	0.48

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

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

The quarterly/half-yearly/annual financial results are displayed under 'Investors' section of the Company's website viz., 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 ('BSE') through BSE Online Portal.

The Managing Director and Chief Financial Officer hold quarterly briefs with analysts, shareholders and major stakeholders where Company's 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 the 'Investors' section.

Reminders for unclaimed shares and unpaid dividend are sent to the shareholders as per records every year.

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 through BSE Online Portal. They are also displayed on the Company's website at www.tatachemicals.com 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. Information about unclaimed dividends and unclaimed shares to be transferred to IEPF is provided in the notes to the Notice of AGM.

11. 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.

Date, time and venue of the Annual General Meeting

Date and Time	: Wednesday, 25 July, 2018 at 3:00 p.m.
Venue	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020
Financial Year	: 1 April to 31 March
Book Closure Date	: Wednesday, 18 July, 2018 to Wednesday, 25 July, 2018 (both days inclusive for the purpose of AGM and Dividend)
Dividend payment date	: On and from Friday, 27 July, 2018
Last date for receipt of Proxy Forms	: Monday, 23 July, 2018 before 3.00 p.m. at the Registered Office of the Company
Listing on Stock Exchanges	: (a) The Company's Ordinary Shares are listed on the following Stock Exchanges: <ol style="list-style-type: none"> (1) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. (2) The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. (b) Unsecured Non Convertible Debentures (NCDs) of ₹ 250 crore (Face Value ₹ 10 lakh per Debenture) with coupon rate of 10.00% p.a. and having maturity date as 2 July, 2019 The Company's NCDs are listed on Debt segment of the National Stock Exchange of India Limited The Company has paid the requisite Annual Listing fees to these Stock Exchanges in full.
Debenture Trustee	: 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 (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)

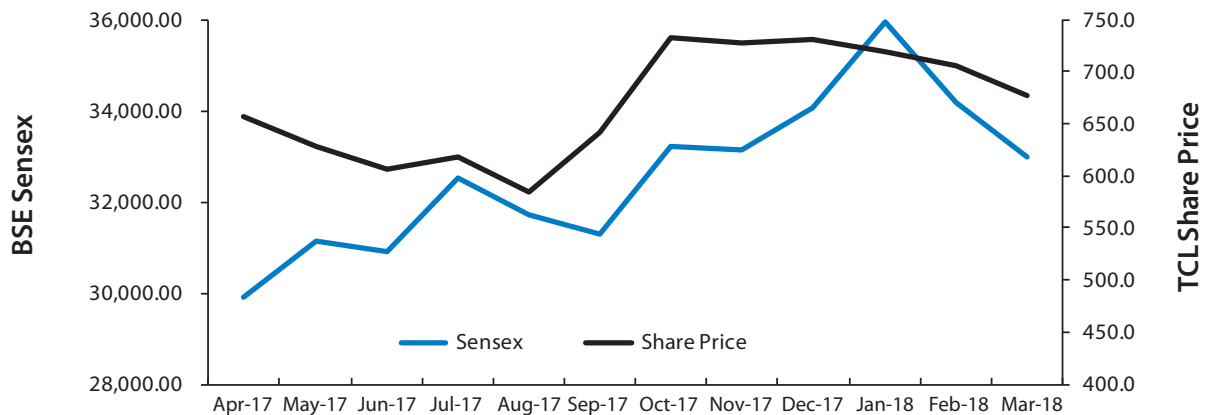
Market Price Data:

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

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2017	661.85	595.00	655.75	662.95	595.05	656.80
May 2017	665.10	582.00	628.25	666.50	580.95	628.30
June 2017	647.95	585.90	605.35	647.90	585.00	606.95
July 2017	661.00	610.00	617.95	657.45	611.50	619.90
August 2017	624.95	558.00	583.85	624.35	560.40	584.05
September 2017	666.75	567.65	641.00	667.50	568.10	643.15
October 2017	764.80	634.15	732.55	765.60	634.40	732.90
November 2017	754.40	702.40	726.80	754.90	702.90	726.75
December 2017	747.50	668.00	730.85	746.50	681.00	731.55
January 2018	781.20	709.00	718.45	782.00	708.65	719.00
February 2018	726.55	656.60	705.95	727.35	658.05	704.65
March 2018	707.90	653.75	676.75	708.65	650.00	677.15

[Source: This information is compiled from the data available on the websites of BSE and NSE]

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. No.: + 91 22 6656 8484 /66178411/12/13/14
 Fax No.: + 91 22 6656 8494
 Email: csg-unit@tsrdarashaw.com
 Website: 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:

1. TSR Darashaw Limited

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

2. TSR Darashaw Limited

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

5. Agent of TSR Darashaw Limited

Shah Consultancy Services Limited
 3, Sumatinath Complex, 2nd Dhal,
 Pritam Nagar, Ellisbridge,
 Ahmedabad - 380 006.
 Telefax: + 91 79 2657 6038
 Email: shahconsultancy8154@gmail.com

3. TSR Darashaw Limited

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

4. TSR Darashaw Limited

"E" Road,
 Northern Town, Bistupur,
 Jamshedpur - 831 001.
 Tel.: + 91 657 242 6616
 Fax: + 91 657 242 6937
 Email: tsrdljsr@tsrdarashaw.com

Share Transfer Process

Shares in physical forms are processed by the Registrar and Share Transfer Agents 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 National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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 M/s. Parikh & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2017-18. 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, 2018

Range of Holdings	Number of Shares	Amount (₹)	% to capital	Number of Shareholders	% of Shareholders
1 to 500	1,72,48,682	17,24,86,820	6.77	1,66,950	90.01
501 to 1,000	72,94,241	7,29,42,410	2.86	9,727	5.24
1,001 to 2,000	70,53,691	7,05,36,910	2.77	4,882	2.63
2,001 to 3,000	37,91,836	3,79,18,360	1.49	1,521	0.82
3,001 to 4,000	24,17,410	2,41,74,100	0.95	686	0.37
4,001 to 5,000	19,80,113	1,98,01,130	0.78	431	0.23
5,001 to 10,000	52,17,825	5,21,78,250	2.05	732	0.39
Above 10,000	20,97,52,480	2,09,75,24,800	82.33	544	0.29
Total	25,47,56,278	2,54,75,62,780	100.00	1,85,473	100.00

Category of Shareholding as on 31 March, 2018

Category	Number of Shares	Percentage
Promoter and promoter group	7,84,72,357	30.80
Resident Individuals	4,72,66,151	18.55
Foreign Holdings	3,01,10,938	11.82
Public Financial Institutions	1,83,55,012	7.21
Government/Government Companies	71,871	0.03
Other Companies, Mutual Funds	7,84,99,569	30.81
Nationalised Banks	7,00,099	0.28
Bodies Corporate - Non Banking Financial Company	2,78,705	0.11
IEPF	10,01,576	0.39
Total	25,47,56,278	100.00

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.

	2017-18	2016-17
Percentage of Shares held in Physical form	2.43	2.94
Electronic form with NSDL	93.34	93.67
Electronic form with CDSL	4.23	3.39

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

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

Not Applicable

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.

Plant Locations

● **Indian Locations:**

Chemicals Division	Mithapur 361 345, Okhamandal, Gujarat
Chennai Plant	317/2B, 317/2 C1, 317/2 C2, Vayalur Road, Kiloy Village, Sriperumbudur Taluk, Kancheepuram Dist. - 602 105
Nellore Plant (under construction)	Tata Chemicals Limited, Block 3 & 3A, APIIC Industrial Park, Phase II, Tada Mandal, Mambattu Nellore Dist - 524 401, Andhra Pradesh

● **Overseas Locations :**

USA - Chemical Soda Ash	Tata Chemicals North America Inc., Green River Basin, Wyoming
UK - Chemicals	Tata Chemicals Europe Limited: (i) Lostock (ii) Winnington (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
Tel. No.: +91 22 6665 8282
Fax No.: +91 22 6665 8144
Email : investors@tatachemicals.com
Website: www.tatachemicals.com

12. OTHER DISCLOSURES

Related Party Transactions

All related party transactions that were entered into during the FY 2017-18 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 at www.tatachemicals.com

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 Code of Conduct. 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 and Code of Corporate Disclosure Practices 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 to align our work practices with regulations mandated for such multi-geography operations, the Board has 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 at www.tatachemicals.com.

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 year ended 31 March, 2018.

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:

- 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 of meetings of the Board (elected by the Board from time to time) and the Managing Director & CEO remained separate.
- The Internal Auditor reports to the Audit Committee.

WEBLINKS OF CORPORATE POLICIES AND OTHER DOCUMENTS

Particulars	Website details/links
Tata Code of Conduct	http://www.tatachemicals.com/upload/content_pdf/TCOC_2015_Booklet.pdf
Policy on Related Party Transactions	http://www.tatachemicals.com/upload/content_pdf/tcl_rpt_policy.pdf
Whistle Blower Policy	http://www.tatachemicals.com/upload/content_pdf/whistle_blower_policy.pdf
Dividend Distribution Policy	http://www.tatachemicals.com/upload/content_pdf/tcl-dividend-distribution-policy.pdf
Prevention of Sexual Harassment at Workplace (POSH) Policy	http://www.tatachemicals.com/upload/content_pdf/posh-policy.pdf
Corporate Social Responsibility Policy	http://www.tatachemicals.com/upload/content_pdf/csr-policy_20161012071424.pdf
Composition and Profile of the Board of Directors	http://www.tatachemicals.com/about-us/Leadership-team/Board-of-directors
Terms and Conditions of Appointment of Independent Directors	http://www.tatachemicals.com/upload/content_pdf/tatachem-terms-conditions-appointment-2018.pdf
Familiarisation Programme for Independent Directors	http://www.tatachemicals.com/upload/content_pdf/familiarisation-programme-hours-fy-2017-18.pdf
Remuneration Policy for Directors, Key Managerial Personnel and Other Employees	http://tatachemicals.com/upload/content_pdf/tatachemicals-remu-managerial-policy.pdf
Code of Conduct for Non-Executive Directors	http://www.tatachemicals.com/upload/content_pdf/TCOC-non-executive-directors.pdf
Policy on determination of Materiality for Disclosure(s)	http://www.tatachemicals.com/upload/content_pdf/Policy_on_Materiality_for_Disclosures1.pdf
Policy on determining Material Subsidiaries	http://www.tatachemicals.com/upload/content_pdf/material_subsiary.pdf
Code of Corporate Disclosure Practices	http://www.tatachemicals.com/upload/content_pdf/code_of_corporate_disclosure_practices.pdf
Archival and Preservation of Documents Policy	http://www.tatachemicals.com/upload/content_pdf/Archival_Policy_1.pdf
For details of unclaimed dividend by the members	http://tatachemicals.com/html/Investors/unclaimed-dividends.html

DECLARATION BY THE MANAGING DIRECTOR & CEO

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, 2018.

For Tata Chemicals Limited

R. Mukundan
Managing Director & CEO

Mumbai, 18 May, 2018

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF
TATA CHEMICALS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Tata Chemicals Limited ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

P. N. Parikh
FCS: 327 CP: 1228

Mumbai, May 18, 2018