



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Corporate Governance is essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. Your Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. It, therefore, continues to lay great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

As a Tata Enterprise, your Company has a strong legacy of fair, transparent and ethical governance practices. This is further strengthened by the adoption of the Tata Code of Conduct for its employees, including the Managing Director and adoption of a Code of Conduct for its Non-Executive Directors. The Company's Corporate Governance philosophy is also strengthened through adoption of the Code of Conduct for Prevention of Insider Trading, Code of Corporate Disclosure Practices and the Tata Business Excellence Model.

During the year, your Company's Corporate Governance practices were recognized at the 15th ICSI National Awards for Excellence in Corporate Governance, through award of the Certificate of Recognition for adopting Exemplary Corporate Governance Practices.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges).

2. BOARD OF DIRECTORS

Composition

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors, as on 31.03.2016, comprised 9 Directors, of which 8 were Non-Executive Directors. The Company has a Non-Executive Chairman and the 5 Independent Directors as on 31.03.2016 comprised more than one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 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 are disclosed on the Company's website.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of the Listing Regulations), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.