

Corporate Governance Report

The report on Corporate Governance is pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"). The Company has complied with the applicable requirements of the SEBI LODR and amendments thereto.

1. CORPORATE GOVERNANCE PHILOSOPHY

The Corporate Governance philosophy of Titan Company Limited ("the Company" or "Titan" or "We" or "Our") is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Titan strongly believes that a company can emerge as a strong leader only by following good and sound corporate governance principles. Good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to make sound decisions, thus maximising long-term stakeholder value without compromising on integrity, societal obligations, environment and regulatory compliances. Effective corporate governance practices constitute the strong foundation, on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

The Company's Corporate Governance philosophy has been further strengthened through the Tata Code of Conduct and the Company's Codes of Fair Disclosure and

Conduct. The Tata Code of Conduct, which articulates the values, ethics and business principles, serves as a guide to the Company, its directors and employees and is supplemented with an appropriate mechanism to report any concerns pertaining to non-adherence to the said Codes. Overall, the Company's Corporate Governance practices are a reflection of its value system encompassing its culture, policies, and relationships with its stakeholders.

As a Company with a strong sense of values and commitment, your Company understands that Corporate Governance is not just a destination, but also a journey to constantly improve sustainable value creation. The Company has over the years, followed the best practices of Corporate Governance. The Company's overall governance framework, systems and processes reflect and support its Mission, Vision and Values. The Vision of the Company: **"To create elevating experiences for the people we touch and significantly impact the world we work in"** underpins the Corporate Governance philosophy.

2. BOARD OF DIRECTORS

Titan is promoted by the Tamilnadu Industrial Development Corporation Limited ("TIDCO") and the Tata Group. As on 31st March 2022, the Company had 12 Directors, comprising 11 Non-Executive Directors and 1 Executive Director. The profiles of Directors can be accessed on the Company's website at <https://www.titancompany.in/investors/investor-information/board-of-directors>.



The composition of the Board of Directors as at 31st March 2022 was as follows:

Category	Name of Director	No. of Directors
Nominee Directors of TIDCO		
(Non-Executive, Non-Independent)	Mr. S Krishnan ¹	3
	Mr. Pankaj Kumar Bansal ²	
	Ms. Jayashree Muralidharan ³	
Nominee Directors of Tata Group		
(Non-Executive, Non-Independent)	Mr. N N Tata	2
	Mr. Bhaskar Bhat	
(Executive, Non-Independent)	Mr. C K Venkataraman	1
Independent Directors		
	Mr. Ashwani Puri	6
	Mr. B Santhanam	
	Mr. Pradyumna Vyas	
	Dr. Mohanasankar Sivaprakasam	
	Ms. Sindhu Gangadharan	
	Mr. Sandeep Singhal	
Total		12

¹ Mr. S Krishnan, IAS, nominee of TIDCO was nominated as Chairman of the Board and was appointed effective 10th December 2021, in place of Mr. N. Muruganandam, who resigned from the Board effective 10th December 2021.

² Mr. Pankaj Kumar Bansal, IAS, nominee of TIDCO was appointed on the Board effective 16th June 2021 and his appointment was approved by the shareholders at the 37th Annual General Meeting of the Company held on 2nd August 2021.

³ Ms. Jayashree Muralidharan, IAS, nominee of TIDCO was appointed on the Board effective 11th August 2021.

During the year, the Company had a Non-Executive Chairman, nominees of the Promoter, and half of the total strength of the Board of Directors were independent. The composition of the Board is in conformity with Regulation 17 of the SEBI LODR read with Section 149 of the Companies Act, 2013 (the "Act").

The Company has not had any pecuniary relationship and transaction with any of the Non-Executive Directors, other than payment of sitting fees and payment of commission, as applicable, except for the post-retirement benefits being paid to Mr. Bhaskar Bhat, as approved by the Board, consequent upon his retirement as Managing Director on 30th September 2019. The Company reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending meetings of the Company.

As on the date of this report, none of the Directors serve as a Director or as an Independent Director in more than 7 listed entities, and the Managing Director does not serve as an Independent Director on any listed

company. Further, none of the Independent Directors serve as a Non-Independent Director of any company on the board of which any of our Non-Independent Directors is an Independent Director. During FY 2021-22, none of the Directors acted as a Member in more than 10 committees or as a Chairperson in more than 5 committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI LODR) across all listed entities where they serve as a Director.

The Board of Directors met nine times during FY 2021-22. The Board meetings were held on 29th April, 28th June, 16th July, 4th August and 27th October in 2021 and 4th January, 3rd February, 25th February and 14th-15th March in 2022.

The information as required in terms of SEBI LODR is being regularly placed before the Board. The Board also reviews the declaration made by the Managing Director of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

The attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at 31st March 2022 are as indicated below:

Name of Director	No. of Board Meetings attended during the year 2021-22	Whether attended last Annual General Meeting	No. of Directorships in domestic public companies (including this Company)		No. of Committee positions in domestic public companies (including this Company) [#]	
			As Chairman	As Director	As Chairman	As Member
Mr. N Muruganandam ¹	2	No	Not Applicable			
Mr. V Arun Roy ²	1	No	Not Applicable			
Ms. Kakarla Usha ³	0	NA	Not Applicable			
Mr. S Krishnan ⁴	4	NA	7	3	Nil	Nil
Ms. Jayashree Muralidharan ⁴	4	NA	1	7	Nil	1
Mr. Pankaj Kumar Bansal ⁵	8	No	2	6	1	2
Mr. N N Tata	9	Yes	4	4	1	2
Mr. Bhaskar Bhat	9	Yes	1	4	Nil	4
Mr. Ashwani Puri	9	Yes	Nil	3	3	Nil
Mr. B Santhanam	8	Yes	Nil	3	1	4
Mr. Pradyumna Vyas	9	Yes	Nil	5	1	2
Dr. Mohanasankar Sivaprakasam	9	Yes	Nil	1	Nil	1
Ms. Sindhu Gangadharan	8	Yes	Nil	1	Nil	1
Mr. Sandeep Singhal	9	Yes	Nil	1	Nil	1
Mr. C K Venkataraman	9	Yes	Nil	3	Nil	2

[#] excludes Committees other than Audit and Stakeholders Relationship Committee.

¹ Mr. N Muruganandam ceased to be a Director effective 10th December 2021.

² Mr. Arun Roy ceased to be a Director effective 11th August 2021.

³ Ms. Kakarla Usha ceased to be a Director effective 16th June 2021.

⁴ Mr. S Krishnan and Ms. Jayashree Muralidharan were appointed on the Board effective 10th December 2021 and 11th August 2021, respectively.

⁵ Mr. Pankaj Kumar Bansal was appointed on the Board effective 16th June 2021.

During the year, Mr. N Muruganandam, Mr. Arun Roy and Ms. Kakarla Usha ceased to be Directors upon withdrawal of nominations by TIDCO, effective 10th December 2021, 11th August 2021 and 16th June 2021, respectively. Mr. Ashwani Puri was re-appointed for a second term as an Independent Director by the shareholders of the Company at the 37th Annual General Meeting for a term upto 5th May 2026.

The names of other listed entities where the person is a director and category of directorship as on 31st March 2022 are as follows:

SI No	Name of Director	Name of listed entities where the person is a director	Category of directorship
1	Mr. S Krishnan	Tamilnadu Newsprint and Papers Limited	Non-Executive, Non-Independent Director, Chairman
		Tamilnadu Petroproducts Limited	Non-Executive, Non-Independent Director, Chairman
2	Mr. Pankaj Kumar Bansal	Southern Petrochemical Industries Corporation Limited	Non-Executive, Non-Independent Director
		Tamilnadu Petroproducts Limited	Non-Executive, Non-Independent Director
3	Ms. Jayashree Muralidharan	Nil	NA
4	Mr. N N Tata	Kansai Nerolac Paints Limited	Non-Executive, Independent Director
		Trent Limited	Non-Executive, Non-Independent Director, Chairman
		Voltas Limited	Non-Executive, Non-Independent Director, Chairman
		Tata Investments Corporation Limited	Non- Executive, Non Independent Director, Chairman
		Tata Steel Limited	Non-Executive, Non-Independent Director
5	Mr. Bhaskar Bhat	Trent Limited	Non-Executive, Non-Independent Director
		Rallis India Limited	Non-Executive, Non-Independent Director, Chairman
		Bosch Limited	Non-Executive, Independent Director
6	Mr. Ashwani Puri	Coforge Limited	Non-Executive, Independent Director
7	Mr. B Santhanam	Saint-Gobain Sekurit India Limited	Non-Executive, Non-Independent Director
		Grindwell Norton Limited	Executive, Managing Director
8	Mr. Pradyumna Vyas	Dynatomic Technologies Limited	Non-Executive, Independent Director
		Kirloskar Brothers Limited	Non-Executive, Independent Director
9	Dr. Mohanasankar Sivaprakasam	Nil	NA
10	Ms. Sindhu Gangadharan	Nil	NA
11	Mr. Sandeep Singhal	Nil	NA
12	Mr. C. K. Venkataraman	Nil	NA

None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

The Board confirms that the Independent Directors fulfil the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the SEBI LODR and are independent of the Board and Management as of 31st March 2022.

In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, declarations on compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, regarding the requirement relating to the enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors.

Number of shares and convertible instruments held by Non-Executive Directors:

Details of shares of the Company held by Non-Executive Directors as on 31st March 2022 are as below:

Name of Director	Number of Shares
Mr. S Krishnan	Nil
Mr. Pankaj Kumar Bansal	Nil
Ms. Jayashree Muralidharan	Nil
Mr. N N Tata	46,900
Mr. Bhaskar Bhat	80,960
Mr. Ashwani Puri	Nil
Mr. B Santhanam	Nil
Mr. Pradyumna Vyas	Nil
Dr. Mohanasankar Sivaprakasam	Nil
Ms. Sindhu Gangadharan	Nil
Mr. Sandeep Singhal	24

Web link where familiarisation programmes imparted to Independent Directors is as below:

The details of familiarisation programmes for Independent Directors can be accessed at:

<https://www.titancompany.in/sites/default/files/Familiarisation%20Programme%20-%202021-22.pdf>

Skills/Expertise/Competence identified by the Board of Directors:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business operations for it to function effectively and those actually available with the Board are as follows:

- i. **Financial Expertise-** Proficiency in complex financial management and experience and expertise in accounting principles, auditing and reporting.
- ii. **Mergers and Acquisitions-** Ability to assess "make or buy" decisions, evaluate business combinations and operational integration plans, expertise in analysing and valuing transactions.
- iii. **Business Strategy, Sales and Marketing-** Experience in developing strategies to grow sales and market shares in semi-urban and rural markets, understanding long term trends, building brand awareness and equity and leading management teams to make strategic choices.
- iv. **Governance and Risk Management-** Experience in developing governance practices, serving the best interest of all stakeholders, developing insights about management and accountability and driving corporate ethics and values, building long-term effective stakeholder engagements and, the ability to understand, assess and manage risk.
- v. **People Management and Leadership-** Expertise in developing talent, planning succession, furthering representation and diversity and other strategic human resource advisories.
- vi. **Manufacturing expertise-** Understanding various facets of manufacturing and operations, insight in innovation, ability to foresee and identify potential challenges, expertise in strategizing to obtain sustainable advantage.
- vii. **Design and Aesthetics-** Expertise in design, ability to apply design thinking to various products, keen understanding of design development and related processes and aesthetic excellence.
- viii. **Technological Expertise-** Expertise in Healthcare related technology, biomedical instrumentation, medical

devices and diagnostics, insight in innovation and ability to bring in affordable healthcare technologies and healthcare delivery models. Expertise or experience in the information technology business, technology consulting and operations, areas of integration and innovation technologies, digital, cloud and cyber security, technology domain and knowledge of technology trends.

The Core Skills identified to each of the Directors of the Company are as follows:

Name of Director	Core Skills
Mr. S Krishnan	People Management and Leadership, Business Strategy
Mr. Pankaj Kumar Bansal	People Management and Leadership
Ms. Jayashree Muralidharan	People Management and Leadership
Mr. N N Tata	Business Strategy, Sales and Marketing.
Mr. Bhaskar Bhat	Manufacturing expertise, People Management and Leadership, Business Strategy, Sales and Marketing, Mergers and Acquisitions.
Mr. Ashwani Puri	Financial Expertise, Governance and Risk Management, Mergers and Acquisitions.
Mr. B Santhanam	Financial Expertise, People Management and Leadership, Manufacturing expertise, Business Strategy, Sales and Marketing, Governance and Risk Management.
Mr. Pradyumna Vyas	Design and Aesthetics.
Dr. Mohanasankar Sivaprakasam	Technological Expertise - Expertise in healthcare-related technology
Ms. Sindhu Gangadharan	Technological Expertise – Information Technology related and People Management and Leadership.
Mr. Sandeep Singhal	Business Strategy, Mergers and Acquisitions, Governance & Risk Management and Technological Expertise.
Mr. C K Venkataraman	People Management and Leadership, Business Strategy, Sales and Marketing.

CODE OF CONDUCT

Whilst the 'Tata Code of Conduct' is applicable to all Whole-time Directors and by definition to the Managing Director and the employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of

which are available on the Company's website. All the Board members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended 31st March 2022. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

INDEPENDENT DIRECTORS AND THEIR APPOINTMENT

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the SEBI LODR, and Tata Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at <https://www.titancompany.in/sites/default/files/Terms%20and%20Conditions%20of%20Appointment%20of%20ID.pdf>.

BOARD EVALUATION CRITERIA

During the year, the Board Nomination and Remuneration Committee (BNRC) along with the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of the Committees of the Board. An indicative list of factors on which evaluation of the individual Directors, the Board and the Committees was carried out includes, Board structure and composition, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information flow, functioning of the Board/Committees, Board culture and dynamics, quality of the relationship between the Board and Management, contribution to decisions of the Board, guidance/support to Management outside Board/Committee meetings.

The overall recommendations based on the evaluation were discussed by the Board and individual feedback from Directors was taken on record. The discussion quality was robust, well-intended and led to clear direction and decision. Based on the outcome of the evaluation, assessment and feedback of the Directors, the Board and the Management have agreed on various action points that would be implemented as per the agreed timelines. It was noted that the Board Committees function professionally and smoothly and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. Progress on recommendations from last year and the current year's recommendations were discussed. Apart from the other key matters, the aspects of succession planning and committee composition were also discussed.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company (Annual ID Meeting) without the presence of the Executive Directors and the Management representatives was held on 15th March 2022, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI LODR. The Independent Directors expressed their satisfaction with the desired level of the governance of the Board and the consistent improvement in scores pertaining to various aspects of the Board meetings as captured in the Board Effectiveness Review exercise. At the said meeting, the Independent Directors:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- (c) assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The Independent Directors were highly satisfied with the overall functioning of the Board and its various Committees and the high level of commitment and engagement. Apart from this, the Independent Directors also appreciated the commitment and contributions of the Chairman and Vice-Chairman of the Board in dealing with the Board matters as well as key strategic matters. Post the Annual ID Meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the BNRC with the Board covering the performance of the Board as a whole, the performance of the Non-Independent Directors and the performance of the Chairman of the Board. The Board also suggested certain areas which require more focused attention from the Management of the Company in the current Financial Year.

INSIDER TRADING CODE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time, the Board of Directors of the Company had adopted the Codes of Fair Disclosure and Conduct ("the Code") which in turn contains the Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices. This Code is applicable to all Directors, Promoters, such identified Designated Persons and their Immediate Relatives and other Connected Persons who are expected to have Unpublished Price Sensitive Information relating to the Company. The Chief Financial Officer of the Company is the Compliance Officer under the Code.



3. AUDIT COMMITTEE:

The Audit Committee of the Board was constituted in 1999. The constitution of Audit Committee is in conformity with the requirements of Section 177 of the Act and also as per the requirements of Regulation 18 of the SEBI LODR.

Powers of the Audit Committee:

The Audit Committee shall have powers, which include the following:

- To investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- to have full access to information contained in the books of accounts and the Company's facilities and personnel.

Terms of reference of the Audit Committee:

The terms of reference of the Audit Committee is in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI LODR which inter alia includes overseeing the Company's financial reporting process and disclosure of its financial information to ensure correctness, sufficiency and credibility, reviewing the accounting policies, practices and standards, and the changes if any, and the reasons for such changes, reviewing with the Management the quarterly financial statements and Auditor's Report thereon before submission to the Board, review the effect of regulatory and accounting initiatives as well as off-balance-sheet structures on the financial statements, scrutinize inter-corporate loans and investments made by the Company, reviewing the utilization of loans, advances and investment by the holding company in the subsidiaries, review and monitor the auditor's independence and performance, and effectiveness of audit process, oversight of compliance with PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively, as per the Code and PIT Regulations for Prohibition of Insider Trading, review Management Discussion and Analysis of financial condition and results of operations in the Annual Report, review with the Management the performance of statutory and internal auditors, review of the risk and control environment and framework operating in the unlisted subsidiaries, provide approval of payment to statutory auditors for any other services rendered by the statutory auditors, review and suitably reply to

the report(s) forwarded by the auditors on the matters involving fraud, review the valuation of undertakings or assets of the Company. Further, the Independent Directors of the Committee to approve/review the Related Party Transactions (RPT) including examination of nature, basis and terms of the contracts/transactions to be entered into by the Company.

Additionally, the Audit Committee of the Board also oversees financial reporting controls and process for subsidiaries and compliance with legal and regulatory requirements including the Tata Code of Conduct ("TCoC") for the Company and its subsidiaries.

Mr. Ashwani Puri, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 2nd August 2021.

As at the year-end, the Audit Committee of the Board comprised of seven members, five of them being Independent Directors. All members are financially literate and have relevant finance and/or audit exposure. Mr. Ashwani Puri has accounting and financial management expertise.

The Audit Committee met five times during FY 2021-22. The Audit Committee meetings were held on 28th April, 3rd August and 26th October in 2021 and on 2nd February and 1st March in 2022.

The quorum as required under Regulation 18(2) of the SEBI LODR was maintained at all the meetings.

The names of the Directors who are members of the Audit Committee and their attendance at Audit Committee meetings are given below:

Name of Director & Category	No. of Meetings attended out of 5 meetings
Mr. Ashwani Puri, Chairman (Non-Executive) (Independent)	5
Mr. V Arun Roy ¹ (Non-Executive) (Non-Independent)	1
Mr. B Santhanam (Non-Executive) (Independent)	5
Dr. Mohanasankar Sivaprakasam (Non-Executive) (Independent)	5
Ms. Sindhu Gangadharan (Non-Executive) (Independent)	4
Mr. Bhaskar Bhat (Non-Executive) (Non-Independent)	5

Name of Director & Category	No. of Meetings attended out of 5 meetings
Mr. Pankaj Kumar Bansal ² (Non-Executive) (Non-Independent)	3
Mr. Sandeep Singhal ³ (Non-Executive) (Independent)	2

¹ Consequent upon his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.

² Mr. Pankaj Kumar Bansal was appointed on the Board Audit Committee effective from 11th August 2021.

³ Mr. Sandeep Singhal was appointed on the Audit Committee effective from 27th October 2021.

The Managing Director, the Chief Financial Officer, the Chief Executive Officers of the Watches & Wearables Division, Jewellery Division, EyeCare Division, the Chief People Officer and the Head – Internal Audit were present at meetings of the Audit Committee. Representatives of the Statutory Auditors, B S R & Co. LLP are also invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The constitution of the Board Nomination and Remuneration Committee ("Committee" or "BNRC") is in conformity with the requirements of Section 178 of the Act and also as per the requirements of Regulation 19 of the SEBI LODR. The broad terms of reference of the BNRC inter alia include recommending to the Board of Directors the selection and appointment or reappointment of Independent Directors ("IDs") in the Board and its Committees which shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee is also responsible for devising a policy on Board diversity and recommend to the Board appointment of Key Managerial Personnel ("KMP") and Senior Management Team in-charge of respective business divisions of the Company as defined by the Committee. The Committee also supports the Board and IDs in evaluating the performance of the Board, its committees and individual directors which include "Formulation of criteria for evaluation of Independent Directors and the Board". It also decides whether to extend or continue the terms of appointment of the IDs on the basis of the report of performance evaluation of IDs, which includes overseeing the performance review process of the KMPs and the executive team of the Company, recommending to the Board the remuneration policy for Directors, Executive team/KMPs as well as the rest of the employees,

identifying and recommending to the Board, including their remuneration, the appointment and removal of persons for the positions/offices one level below the Chief Executive Officer/Managing Director/whole-time director/manager (including chief executive officer/manager, in case chief executive officer/manager is not a part of the Board), specifically including the position of the Company Secretary and the Chief Financial Officer.

The Board Nomination and Remuneration Committee also recommends the total remuneration payable to Non-Executive Directors and the criteria for payment amongst the Directors. The criteria for payment of Non-Executive Directors Commission for FY 2021-22 is based on attendance at the meetings of the Board and the Committees thereof, and Chairmanships held by the Directors on various Committees. The Remuneration Policy is annexed as **Annexure-A**.

The Committee met two times during FY 2021-22. The Committee meetings were held on 29th April and 26th October in 2021.

The following Directors are the members of the Nomination and Remuneration Committee and their attendance in the meetings held during FY 2021-22:

Name of Director & Category	No. of Meetings attended out of 2 meetings
Mr. B Santhanam, Chairman (Non-Executive) (Independent)	2
Mr. N N Tata (Non-Executive) (Non-Independent)	2
Ms. Kakarla Usha ¹ (Non-Executive) (Non-Independent)	0
Ms. Sindhu Gangadharan (Non-Executive) (Independent)	1
Mr. Pankaj Kumar Bansal ² (Non-Executive) (Non-Independent)	1
Mr. Sandeep Singhal ³ (Non-Executive) (Independent)	NA
Mr. Pradyumna Vyas ³ (Non-Executive) (Independent)	NA

¹ Consequent upon her resignation effective 16th June 2021, Ms. Kakarla Usha ceased to be a member of the Committee.

² Mr. Pankaj Kumar Bansal was appointed on the Board Nomination and Remuneration Committee effective from 16th June 2021.

³ Mr. Sandeep Singhal and Mr. Pradyumna Vyas were appointed on the Board Nomination and Remuneration Committee effective from 27th October 2021.

5. REMUNERATION OF DIRECTORS

MANAGING DIRECTOR

The Company has during the year paid remuneration to its Managing Director by way of salary, perquisites and commission within the limits approved by the Shareholders. The Board of Directors on the recommendation of the Board Nomination and Remuneration Committee approves the annual increment (effective April each year). The Commission is based on the performance matrix taking into account the overall performance of the Company and the Managing Director in a particular financial year and is determined by the Board of Directors on the recommendation of the members of the Board Nomination and Remuneration Committee in the succeeding financial year, subject to the overall ceiling as stipulated in Section 197 of the Act.

Details of the remuneration to the Managing Director during FY 2021-22 are as under:

(in ₹)

Name	Salary	Perquisites & Allowance	Commission**
Mr. C K Venkataraman	1,27,20,000	2,11,99,549	7,00,00,000

** For FY 2021-22, based on the recommendation of the Board Nomination & Remuneration Committee and as approved by the Board, the commission for the Managing Director is payable in FY 2022-23 post the ensuing Annual General Meeting.

The perquisites indicated above exclude gratuity as these are determined on an actuarial basis for the Company as a whole. Commission is the only component of remuneration, which is performance-linked and the other components are fixed. The Board Nomination and Remuneration Committee also recommends to the Board of Directors an increase in the salary of the Managing Director based on results relating to the Company's financial performance, market performance and a few other performance-related parameters.

The broad terms of agreement of appointment of Mr. C K Venkataraman, Managing Director, are as under:

Period of Agreement: 5 years from 1st October 2019 to 30th September 2024.

Salary: Up to a maximum of ₹ 20,00,000/- per month with authority to the Board to fix the salary within the maximum amount from time to time.

Perquisites: As agreed to in the Appointment Agreement within the overall ceiling of 140% of the basic salary or such ceiling as may be determined by the Board Nomination and Remuneration Committee or the Board.

Commission: As evaluated by the Board or the Board Nomination and Remuneration Committee subject to the overall ceiling under the Act.

Notice period: The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

Severance Fees: Nil

There are no stock options issued to the Managing Director.

NON-EXECUTIVE DIRECTORS

The remuneration paid/payable to Non-Executive Directors for FY 2021-22 had been computed pursuant to Sections 197 and 198 of the Act.

The Commission payable to Non-Executive Directors is as per the approval obtained from the Shareholders at the Annual General Meeting held on 11th August 2020 and is within the limits specified under the Act. The remuneration by way of Commission to the Non-Executive Directors is decided by the Board of Directors primarily based on attendance at the meetings of the Board and the Committees thereof and Chairmanships held by the Directors in various Committees.

During FY 2021-22, the Company has paid Sitting Fees to Non-Executive Directors detailed below and proposes to pay commission as shown below:

Sl No	Name of the Director	Sitting fee (In ₹)	Commission** (In ₹)
1.	Mr. N Muruganandam/ Mr. S Krishnan – Chairman (nominated by TIDCO)	3,00,000	46,00,000
2.	Mr. V Arun Roy (nominated by TIDCO)	90,000	19,00,000
3.	Ms. Kakarla Usha (nominated by TIDCO)	Nil	7,00,000
4.	Mr. Pankaj Kumar Bansal (nominated by TIDCO)	5,50,000	45,00,000
5.	Ms. Jayashree Muralidharan (nominated by TIDCO)	3,10,000	44,00,000
6.	Mr. N N Tata [^]	5,10,000	18,00,000
7.	Mr. Bhaskar Bhat	7,10,000	63,00,000
8.	Mr. Ashwani Puri	7,70,000	94,00,000
9.	Mr. B Santhanam	6,80,000	81,00,000
10.	Mr. Pradyumna Vyas	5,60,000	57,00,000

Sl No	Name of the Director	Sitting fee (In ₹)	Commission** (In ₹)
11.	Dr. Mohanasankar Sivaprakasam	8,00,000	73,00,000
12.	Ms. Sindhu Gangadharan	5,90,000	60,00,000
13.	Mr. Sandeep Singhal	6,70,000	68,00,000

** Gross amount, subject to tax and payable in FY 2022-23.

^ In line with the internal guidelines, no payment is made towards commission to Mr. N N Tata, Non-Executive Director of the Company during the period for which he was in full-time employment with other Tata Group companies, viz. till November 2021.

The Managing Director is not eligible to receive sitting fees as per the terms of appointment and the contract entered into with him. Sitting fees and Commission payable to the Directors, who are nominees of the co-promoters viz., TIDCO is being paid directly to TIDCO.

The Company does not pay any salary, benefits, bonuses, stock options, etc., to the Non-Executive Directors other than to Mr. Bhaskar Bhat to whom the Company pays a monthly pension as approved by the Board of Directors consequent upon his retirement as Managing Director of the Company.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Section 178(5) of the Act prescribes that a company that consists of more than one thousand shareholders, debenture holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee.

The Company has constituted Stakeholders Relationship Committee ("Committee" or "SRC") and the terms of reference of the Committee are to review statutory compliance relating to all security holders, consider and resolve the grievances of security holders of the Company including complaints related to transfer of securities, non-receipt of annual report/declared dividends/notices/balance sheet, oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund, oversee and review all matters related to the transfer of securities of the Company, approve issue of

duplicate certificates of the Company and transmission of securities, review movements in shareholding and ownership structures of the Company, ensure setting of proper controls and oversee performance of the Registrar and Transfer Agent, recommend measures for overall improvement of the quality of investor services, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

The Committee met one time during FY 2021-22. The meeting was held on 27th October 2021.

The following Directors are the members of the Stakeholders Relationship Committee and their attendance in the meeting held during FY 2021-22:

Name of Director & Category	No. of Meeting attended out of 1 meeting
Mr. B Santhanam, Chairman (Non-Executive) (Independent)	1
Mr. Bhaskar Bhat (Non-Executive) (Non-Independent)	1
Mr. C K Venkataraman (Executive, Non-Independent)	1
Mr. V Arun Roy ¹ (Non-Executive) (Non-Independent)	NA
Ms. Jayashree Muralidharan ² (Non-Executive) (Non-Independent)	1

¹ Consequent to his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.

² Ms. Jayashree Muralidharan was appointed on the Stakeholders Relationship Committee effective from 11th August 2021.

Mr. Dinesh Shetty, Company Secretary, is the Compliance Officer under SEBI LODR.

Number of complaints from shareholders during the year ended 31st March 2022

The status of Investor Complaints as on 31st March 2022 as reported under Regulation 13(3) of the SEBI LODR is as under:

Complaints outstanding as on 1 st April 2021	1
Complaints received during the year ended 31 st March 2022	24
Complaints resolved during the year ended 31 st March 2022	23
Complaints not solved to the satisfaction of shareholders during the year ended 31 st March 2022	0
Complaints pending as on 31 st March 2022 *	2

* The above-mentioned figures include complaints received through SCORES as well as other Regulatory Bodies. ATR for the complaint received from the Complainant through SCORES was uploaded on 23rd March 2022 and the same was pending for review by SEBI.

The position of queries/other correspondence received and attended to during FY 2021-22 in respect of equity shares apart from those received through SCORES are given below:

	Received	Resolved	Pending
For non-receipt of interest/dividend warrants	930	911	19
Loss of shares	694	680	14
Signature Cases	1,002	938	64
ECS/Mandate Requests	403	387	16
Change of address requests	370	359	11
Transmission of securities	152	152	0
Document Registration	324	324	0
Exchange/Sub-division of old shares/Conversion	15	15	0
Split/Consolidation/Renewal/Duplicate issue of shares	0	0	0
Name/Status correction	49	49	0
General Inquiries	0	0	0
Transfer of securities	9	9	0
Nomination requests	62	36	26
Depository System	15	15	0
Dematerialisation of securities	26	24	2
Correspondence related to legal matters	48	47	1
Securities/Warrants enclosure letters	0	0	0
Change of address queries	0	0	0
Annual Report	73	73	0
Verification of Holdings	57	56	1

7. RISK MANAGEMENT COMMITTEE

The Board of Directors had constituted Risk Management Committee ("Committee" or "RMC") to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks. The RMC on a timely basis informed members of the Board of Directors about risk assessment and mitigation procedures.

The terms of reference of the RMC is in line with the regulatory requirements mandated by Regulation 21 and Part D of Schedule II of the SEBI LODR which inter alia includes formulation of detailed Risk Management Policy, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems; periodically review the Risk Management Policy; to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; appointment, removal and terms of remuneration of the Chief Risk Officer (if any); review of the enterprise wide cyber security risks and of IT information both from operations and customer data perspective & technology risks; evaluating and vetting the strategic

risks embedded in the Annual Operating Plan; nurture a healthy and independent risk management function in the Company and to carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

The Committee met two times during FY 2021-22. The meetings were held on 26th October 2021 and 2nd March 2022.

The following Directors are the members of the Risk Management Committee and their attendance in the meeting held during FY 2021-22:

Name of Director & Category	No. of Meetings attended out of 2 meetings
Mr. Ashwani Puri, Chairman (Non-Executive) (Independent)	2
Mr. Arun Roy ¹ (Non-Executive) (Non-Independent)	NA
Dr. Mohanasankar Sivaprakasam (Non-Executive) (Independent)	2
Mr. Sandeep Singhal (Non-Executive) (Independent)	2



Name of Director & Category	No. of Meetings attended out of 2 meetings
Ms. Jayashree Muralidharan ² (Non-Executive)(Non-Independent)	0
Mr. C K Venkataraman (Executive, Non-Independent)	2

¹ Consequent to his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.

² Ms. Jayashree Muralidharan was appointed on the Risk Management Committee effective from 11th August 2021.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("Committee" or "CSR") oversees, inter alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which includes formulating and recommending to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; recommending the amount of expenditure to be incurred; Annual Action Plan and monitoring the CSR Policy of the Company.

9. GENERAL BODY MEETINGS

Particulars of the past three Annual General Meetings

a) Location, date and time of Annual General Meetings held during the last 3 years

Year	Location	Date	Time	Special Resolution
2018-19	At the Registered Office of the Company located at 3, SIPCOT Industrial Complex, Hosur 635 126	6 th August 2019	2:30 p.m.	i) Re-appointment of Ms. Hema Ravichandar as an Independent Director. ii) Re-appointment of Ms. Ireena Vittal as an Independent Director.
2019-20	Video Conference/Other	11 th August 2020	2:30 p.m.	None
2020-21	Audio Visual Means	2 nd August 2021	2:30 p.m.	Re-appointment of Mr. Ashwani Puri as an Independent Director.

- b) No Extraordinary General Meeting of the shareholders was held during FY 2021-22.
- c) No Postal Ballot was conducted during FY 2021-22.
- d) As of the date of the Report, no special resolutions are proposed to be conducted through postal ballot.
- e) Procedure for Postal Ballot – In compliance with Schedule V Part C of the SEBI LODR and Sections 108, 110 and other applicable provisions of the Act read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depositories Limited ("NSDL") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Committee met three times during FY 2021-22. The meetings were held on 28th April 2021, 2nd February 2022 and 25th February 2022.

The following Directors are the members of the Corporate Social Responsibility Committee and their attendance in the meeting held during FY 2021-22:

Name of Director & Category	No. of Meetings attended out of 3 meetings
Mr. Pradyumna Vyas, Chairman (Non-Executive) (Independent)	3
Mr. Arun Roy ¹ (Non-Executive) (Non-Independent)	0
Dr. Mohanasankar Sivaprakasam (Non-Executive) (Independent)	3
Ms. Jayashree Muralidharan ² (Non-Executive) (Non-Independent)	2
Mr. C K Venkataraman (Executive, Non-Independent)	3

¹ Consequent to his resignation effective 11th August 2021, Mr. Arun Roy ceased to be a member of the Committee.

² Ms. Jayashree Muralidharan was appointed on the Corporate Social Responsibility Committee effective from 11th August 2021.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by

physical ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their vote by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorised officer. The results, if any, would be displayed on the website of the Company, www.titancompany.in besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

10. MEANS OF COMMUNICATION

Whether half-yearly reports are sent to each household of shareholder?	To benefit the shareholders, after the results were approved by the Board of Directors, the Company voluntarily sent quarterly financial results through email to those Shareholders whose email addresses are registered with the Company/Depositories.
Website, where results are displayed	The results are displayed on www.titancompany.in .
Whether it also displays official news releases	Yes
Website for investor complaints	The Company has created an exclusive ID investor@titan.co.in for this purpose. SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
Presentations to institutional investors or analysts	Presentations made during the year to institutional investors are displayed on www.titancompany.in
Newspaper in which results are normally published	The quarterly results were published in the Business Standard and Dina Thanthi. The audited financial results for the year ended 31 st March 2022 were published in Business Standard and Dina Thanthi.
Annual Reports and Annual General Meetings	The Annual Report for FY 2021-22 including the Audited Financial Statements for the year ended 31 st March 2022, is being sent by email to those members whose email addresses are registered with the Company/Depository Participants(s). For those members, who have not registered their email address, hard copies of the Notice of the 38 th AGM and the Annual Report are being sent at their registered address in the permitted mode. The Annual Report and the Notice of the AGM is also available on the Company's website at www.titancompany.in .



11. GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Tuesday, 26 th July 2022, 10:30 a.m. through Video Conferencing("VC")/Other Audio Visual Means("OVAM")
Financial Year	1 st April 2021 to 31 st March 2022
Book Closure Date	12 th July 2022 to 26 th July 2022 (both days inclusive)
Dividend payment date	On or after 29 th July 2022 (within the statutory time limit of 30 days) subject to shareholders' approval at the Annual General Meeting
Registered Office	No. 3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu
Listing of Equity Shares on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-01; and National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-51
Listing fees	Listing fees as prescribed have been paid to the above stock exchanges up to 31 st March 2022.
Share Registrar and Transfer Agents	TSR Consultants Private Limited, C 101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 mail: csq-unit@tcplindia.co.in Website: www.tcplindia.co.in Tel No: 022-66568484, Fax No: 022-66568494
Company Secretary & Contact Address	Mr. Dinesh Shetty, General Counsel & Company Secretary E-mail: investor@titan.co.in Tel No: 080-67046600/67046646

For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches of TSR Consultants Private Limited:-

TSR Consultants Private Limited

C/o. Mr. D. Nagendra Rao
"Vaghdevi" 543/A, 7th Main
3rd Cross, Hanumanthnagar
Bengaluru – 560019
Tel: 080-26509004
Email: tcplbang@tcplindia.co.in
Contact Person: Mr. Shivanand M

TSR Consultants Private Limited

C/o Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No NH-2, C-1 Block,
LSC, Near Savitri Market, Janakpuri, New Delhi – 110058
Tel: 011 – 49411030
Email: tcpldel@tcplindia.co.in
Contact Person: Mr. Vishal Kumar

TSR Consultants Private Limited

C/o Link Intime India Private Limited
Amarnath Business Centre-1 (ABC-1),
Beside Gala Business Centre
Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge,
Ahmedabad – 380006 Telefax: 079 - 26465179,
Email: csq-unit@tcplindia.co.in
Contact Person: Ms. Preeti Madhu

TSR Consultants Private Limited

C/o Link Intime India Private Limited,
Vaishno Chamber, Flat No. 502 & 503, 5th Floor, 6,
Brabourne Road, Kolkata – 700001
Tel: 033 - 40081986
Email: tcplcal@tcplindia.co.in
Contact Person: Mr. Tapas Sarkar

TSR Consultants Private Limited

Bungalow No.1, 'E' Road, Northern Town, Bistupur,
Jamshedpur – 831 001
Tel: 0657 – 2426616
Fax: 0657 – 2426937
Email: tcpljsr@tcplindia.co.in
Contact Person: Mr. Subrato Das

SHARE TRANSFER SYSTEM

Transfer of shares in physical form has been delegated by the Board to certain officials of the Registrar and Transfer Agents, to facilitate speedy service to the Shareholders. Shares sent for transfer in physical form are registered by the Registrar and Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. NSDL and Central Depository Services (India) Limited (CDSL) within 15 days.

An Independent Practising Company Secretary reviews and furnishes the quarterly Reconciliation Reports and half-yearly physical transfer related reports which are submitted to the Stock Exchanges.

STOCK CODE

Equity Shares - Physical form - BSE Ltd. (BSE) : 500114

National Stock Exchange of India Ltd. (NSE) : TITAN

Equity Shares - Demat form - NSDL/CDSL : ISIN No. INE280A01028

The Aggregate Non-promoter/Public Shareholding of the Company as at 31st March 2022 is as shown below:

Number of Shares : 41,81,84,240

Percentage to total holding : 47.10%

STOCK PERFORMANCE

Month	BSE		NSE		Index Close Price	
	High	Low	High	Low	Sensex	Nifty
Apr-21	1,617.90	1,452.00	1,618.00	1,451.60	48,782.36	14,631.10
May-21	1,614.00	1,400.65	1,614.00	1,400.05	51,937.44	15,582.80
Jun-21	1,800.00	1,564.60	1,792.95	1,564.20	52,482.71	15,721.50
Jul-21	1,782.95	1,661.85	1,783.40	1,662.50	52,586.84	15,763.05
Aug-21	1,924.60	1,726.25	1,925.00	1,725.00	57,552.39	17,132.20
Sep-21	2,185.00	1,915.55	2,185.00	1,915.00	59,126.36	17,618.15
Oct-21	2,678.10	2,122.35	2,677.90	2,122.65	59,306.93	17,671.65
Nov-21	2,572.50	2,230.30	2,572.70	2,231.40	57,064.87	16,983.20
Dec-21	2,533.50	2,205.00	2,535.00	2,205.00	58,253.82	17,354.05
Jan-22	2,687.30	2,260.40	2,687.25	2,260.00	58,014.17	17,339.85
Feb-22	2,561.95	2,352.75	2,563.65	2,351.25	56,247.28	16,793.90
Mar-22	2,767.55	2,320.95	2,768.00	2,325.60	58,568.51	17,464.75

DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH 2022

No. of Equity Shares Held	No. of Shareholders*	Percentage	No. of Shares	Percentage
1-5,000	5,99,769	99.36	6,23,46,306	7.02
5,001-20,000	2,808	0.47	2,54,39,011	2.87
20,001-30,000	239	0.04	59,20,545	0.67
30,001-40,000	128	0.02	44,91,052	0.51
40,001-50,000	74	0.01	33,23,718	0.37
50,001-1,00,000	197	0.03	1,42,86,660	1.61
1,00,001- 10,00,000	356	0.06	10,87,34,321	12.25
10,00,001 and above	68	0.01	66,32,44,547	74.71
TOTAL	6,03,639	100	88,77,86,160	100

*The number of Shareholders in the Corporate Governance Report is compiled on the basis of the number of folios held by the Shareholders.

CATEGORIES OF SHAREHOLDING AS ON 31st MARCH 2022

Category	No. of Shareholders*	No. of Shares Held	% of Shareholding
Tamilnadu Industrial Development Corporation Limited	1	24,74,76,720	27.87
Tata Group Companies	11	22,21,25,200	25.02
FFI/FIIs/OCBs	920	16,33,74,549	18.40
Bodies Corporate	3,788	1,76,38,630	1.99
Institutional Investors	1	5,000	0.00
Mutual Funds	235	4,04,64,215	4.56
Banks	17	10,53,609	0.12
Others	5,98,666	19,56,48,237	22.04
Total	6,03,639	88,77,86,160	100.00

*The number of Shareholders in the Corporate Governance Report is compiled on the basis of the number of folios held by the Shareholders.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 31st March 2022, 99.04% of the Company's Equity Capital was held in dematerialised form with NSDL and CDSL. Trading in equity shares of the Company is permitted only in dematerialised form with effect from 15th February 1999 as per the notification issued by the Securities and Exchange Board of India. Further, effective 1st April 2019, SEBI has amended Regulation 40 of the SEBI LODR, which deals with the transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: None

Stock option scheme: The Company does not have any stock option scheme.

PLANT LOCATIONS

The Company's plants are located at:

Watches : Roorkee, Hosur, Coimbatore and Sikkim

Jewellery : Hosur, Pantnagar and Sikkim

EyeCare : Chikkaballapur, Kolkata and Noida

ADDRESSES FOR CORRESPONDENCE

Registered Office : No.3, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu.

Corporate Office : "Integrity" No. 193, Veerasandra, Electronics City P.O., Off Hosur Main Road, Bengaluru - 560 100, Karnataka.

LIST OF CREDIT RATINGS AND ITS REVISION

The Company has obtained the following credit ratings along with its revision in FY 2021-22 for all debt instruments or fixed deposit programmes or any scheme or proposal of the Company involving mobilization of funds in India or abroad.

(a) Rating assigned for Bank Loan Facilities & Commercial Paper by Brickworks on 26th April 2021

Instrument	Previous Rates Amount in ₹ crore	Current Amount Rated in ₹ crore	Rating Action
Proposed Commercial Paper	1,500	1,500	[BWR] A1+ Reaffirmed
Cash Credit (Proposed)	1,000	550	[BWR] AAA/Stable Reaffirmed
Working Capital Demand Loan	-	450	[BWR] A1+ Assigned
Gold Metal Loan/Gold on Loan	2,735	3,935	[BWR] A1+ Reaffirmed
Gold Metal Loan/Gold on Loan (Proposed)	1,265	65	
Total	6,500	6,500	

(b) Ratings Update from ICRA on 25th June 2021

Instrument	Previous Rates Amount in ₹ crore	Current Amount Rated in ₹ crore	Rating Action
Fixed Deposit Program*	2,500	3,000	MAAA (Stable) assigned
Fund Based	1,700	1,700	[ICRA]AAA(Stable) / [ICRA]A1+ assigned
Commercial Paper	1,500	1,500	[ICRA]A1+ assigned

(c) Rating assigned for Bank Loan Facilities by CRISIL on 16th July 2021

Current facilities Facility	Amount (₹ crore)	Rating	Previous facilities Facility	Amount (₹ crore)	Rating
Cash Credit Limit **	2,400	CRISIL AAA/Stable	Cash Credit Limit*	2,400	CRISIL AAA/Stable
Letter of Credit ***	450	CRISIL A1+	Letter of Credit**	450	CRISIL A1+
Total	2,850	--	Total	2,850	--

* Pertains to the Company's Golden Harvest Jewellery Purchase Plan

**One-way interchangeability to Import letter of credit, foreign letters of credit and Standby letters of credit to the extent of sanctioned limit

***Interchangeable with standby letter of credit and bank guarantees

12. DISCLOSURES

- (a) **Related Party Transactions:** During the year under review, besides the transactions reported in Note 33 forming part of the Financial Statements for the year ended 31st March 2022 in the Annual Report, there were no other material related party transactions of the Company with its Promoters, Directors or the Management or their relatives and subsidiaries, associate company and joint venture. These transactions does not have any potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee of the Board periodically and placed for Board's information if required. Further, there are no material individual transactions that are not in the normal course of business or not on an arm's length basis.
- (b) **Disclosure on Materially Significant Related Party Transactions:** There were no material related party transactions during the year under review that has a conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee of the Board. Certain transactions, which were repetitive in nature, were approved through omnibus route.
- (c) **Disclosure on website:** The Policy on Related Party Transactions is posted on the website of the Company and can be accessed at: <https://www.titancompany.in/sites/default/files/Related%20Party%20Transactions%20Policy%20-%202014.03.22.pdf>.
- (d) **Disclosure of Accounting Treatment:** The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Act.
- (e) **Disclosure by Senior Management:** Senior Management has made affirmations to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- (f) **CEO/CFO Certification:** The Managing Director ("MD") and Chief Financial Officer ("CFO") have certified to the Board in accordance with Regulation 17(8) of the SEBI LODR pertaining to CEO/CFO certification for year ended 31st March 2022, which is annexed hereto.

(g) Details of mandatory requirements and adoption of the non-mandatory requirements:

All mandatory requirements of the SEBI LODR have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI LODR, is as under:

- **Shareholder Rights:** To benefit the Shareholders, after the results were approved by the Board of Directors, the Company voluntarily sent quarterly financial results through email to those Shareholders whose email addresses are registered with the Company/Depositories.
- **Modified opinion(s) in Audit Report:** The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
- **Reporting of Internal Auditor:** The Internal Auditor functionally reports to the Audit Committee.

(h) Details of Non-Compliance: There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

(i) Whistle Blower Policy: The Company has a whistle blower mechanism wherein the Directors/Employees/Associates can approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, suspected leak of Unpublished Price Sensitive Information. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he/she becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concerns. No person has been denied access to the Chairman to report any concern. Further,

the said Policy has been disseminated within the organisation and has also been posted on the Company's website.

(j) Subsidiary Companies: The Audit Committee reviews the consolidated financial statements of the Company and the investments made by the unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted Indian subsidiary company. Web link where policy for determining material subsidiaries is available at <https://www.titancompany.in/sites/default/files/Policy%20on%20Determining%20Material%20Subsidiaries.pdf>.

(k) Share Transfer Compliance and Share Capital Reconciliation: Pursuant to Regulation 40(9) of the SEBI LODR, certificates on a half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialisation of the shares of the Company and for conducting a share capital audit on a quarterly basis for reconciliation of the share capital of the Company.

(l) Compliance of non-mandatory requirements: The information pertaining to compliance of discretionary requirements made, may be referred to Item No.14 below.

(m) Risk Management: The Risk Management of the Company is overseen by the Risk Management Committee and the Board at various levels:

Business/Strategic Risk: The Board oversees the risks which are inherent in the businesses pursued by the Company. The oversight is through review/approval of business plans, projects and approvals for business strategy/policy.

Operational Risks: These are being mitigated by internal policies and procedures which are updated from time to time to address reviewed risks.

Cyber Security: The RMC oversees the risks pertaining to cyber security and mitigation measures taken by the Management and a periodic update is provided to the Board.

Financial Risks: These risks are addressed on an ongoing basis by Treasury, Insurance and Forex Policies and Bullion Risk Management team. Due oversight on financial risks is exercised by the Audit Committee in its meetings.

For better review and oversight the Company has also constituted a Risk Management Committee of the Management and the Management Committee meets regularly to review the risk list, the action timeline status, any change in the profile/probability of any of the risks, need to recognise any new risk, etc. A report of this meeting is shared with the Risk Management Committee of the Board.

The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their input on risk mitigation/management efforts.

The RMC/Board engages in the Risk Management process and has set out a review process so as to report to the Board on the progress of the initiatives for the major risks of each of the businesses that the Company is into.

The Risk registers of each of the Businesses get updated on a bi-annual basis and are placed for due discussions at Board meetings and the appropriateness of the mitigation measures

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

- Total exposure of the listed entity to commodities in (as of 31st March 2022): ₹ 3,922.56 crore
- Exposure of the listed entity to various commodities:

Type	Commodity Name	Exposure in INR towards the particular Commodity	Exposure in Quantity towards the particular Commodity	% of such exposure Hedged through Commodity Derivatives				Total
				Domestic Market		International Market		
				OTC	Exchange	OTC	Exchange	
Futures	Gold - 1 kg Contract	₹ 3,337.79 crore	6,759 kg	100%				100%
	Silver - 30 kg Contract	₹ 3.56 crore	510 kg	100%				100%
Forward	Sell Forward Contract	₹ 581.21 crore	1,350 kg	100%				100%

The Company's exposure to market risks, credit risks and liquidity risks are detailed in Note 34.3 under "Financial Risk Management Objective" forming part of Notes to the Standalone Financial Statements.

to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimized.

(n) Disclosure of commodity price risks and commodity hedging activities:

The Company is exposed to price fluctuations on account of gold prices and this is managed by way of:

- Purchase of gold on lease from banks where the commodity price is fixed only when the corresponding sale happens to customers. Thus, the Company is not exposed to gold prices for this portion of purchase
- Purchase of gold from customers (on exchange, outright jewellery) or spot gold where the risk is managed by way of taking a sell future position in the commodity exchanges or Forward Contracts with bullion banks (subject to RBI regulation). On a later date when this is sold in the stores, the positions are squared off through Buy Future Contracts. Thus, there is no exposure to gold prices for this portion of gold purchase also. The Mark-to-Market of outstanding Sell Future Contracts is done on a daily basis, based on the gold rate fluctuation.

All the commodity hedging is done in adherence to the "Bullion Risk Management Policy" approved by the Board and the Company has hedging limits in place. The Company's Bullion Risk Management Committee consisting of senior management reviews the position and other actions and meets on a quarterly basis.

(o) **Loans and advances in the nature of loans to firms/companies in which directors are interested:** There were no loans given to any companies or firms in which Directors are interested. However, as on 31st March 2022 the Company has made available a corporate guarantee of upto ₹ 40 crore on behalf of its subsidiary CaratLane Trading Private Limited.

(p) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** The Company has not raised any funds through preferential allotment or qualified institutions placement.

(q) **Certificate from Company Secretary in Practice:** A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached as an annexure.

The Company has obtained a compliance certificate from the Practising Company Secretary on Corporate Governance, and the same is attached as an annexure.

(r) **Disclosure of non-acceptance of any recommendation of any committee by the Board in the FY 2021-22 and its reason:** There was no such instance during FY 2021-22 when the Board had not accepted any recommendation of any Committee of the Board.

(s) **Fees paid to Statutory Auditor:** The details of the total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

(₹ in lakh)

Particulars	Amount
Audit of statutory accounts	191
Taxation matters	24
Audit of consolidated accounts	12
Other services	97
Reimbursement of levies and expenses	21
Total	345

t) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** During FY 2021-22, seven sexual harassment complaints were reported, all of which were investigated and dealt with in line with the POSH Policy of the Company and were disposed off appropriately.

Compliance with Regulation 39(4) of the SEBI LODR

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI LODR, for shares issued in physical form pursuant to a public issue, which remain unclaimed, the issuer Company has to comply with the following procedure:

- Send at least three reminders to the addresses given in the application form as well as the latest address available as per the Company's record asking for the correct particulars.
- If no response is received, the issuer Company shall transfer all the shares into one folio in the name of Unclaimed Suspense Account.

The details of the number of Shareholders and outstanding unclaimed shares for the period 1st April 2021 to 31st March 2022 is as provided below:

Particulars	No. of Shareholders	No. of equity shares (₹ 1 each)
Aggregate number of Shareholders and the Outstanding unclaimed shares in the suspense account lying at the beginning of the year	237	4,57,700
Shareholders who approached listed entity for transfer of shares from suspense account during the year	10	28,060
Shareholders to whom shares were transferred from suspense account during the year	10	28,060
Shareholders whose shares were transferred from suspense account to IEPF	46	77,200

Particulars	No. of Shareholders	No. of equity shares (₹ 1 each)
Aggregate number of Shareholders and the outstanding shares lying in the suspense account at the end of the year	181	3,52,440
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	181	3,52,440

The voting rights on the shares outstanding in the suspense account as on 31st March 2022 shall remain frozen till the rightful owner of such shares claims the shares.

13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the SEBI LODR.

14. COMPLIANCE OF DISCRETIONARY REQUIREMENTS

The Company has fulfilled the discretionary requirements relating to the financial statements and the same are unqualified.

15. DISCLOSURE OF COMPLIANCE WITH THE SEBI LODR

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V - Part C to F of the SEBI LODR.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17 (8) OF THE SEBI LODR

The Board of Directors,
Titan Company Limited
3, SIPCOT Industrial Complex,
Hosur 635 126

CERTIFICATION TO THE BOARD PURSUANT TO REGULATION 17 (8) OF SEBI LODR

We, C K Venkataraman, Managing Director and Ashok Sonthalia, Chief Financial Officer, hereby certify that in respect of the Financial Year ended on 31st March 2022:

1. we have reviewed the financial statements and the cash flow statements for the year, and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;

we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;

3. we have indicated to the Auditors and the Audit Committee:-
 - a) significant changes, if any, in internal control over financial reporting during the year;
 - b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Bengaluru
3rd May 2022

C K VENKATARAMAN
Managing Director

ASHOK SONTHALIA
Chief Financial Officer

DECLARATION BY THE CEO UNDER REGULATION 17 (5) OF THE SEBI LODR REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Regulation 17 (5) of the SEBI LODR, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended 31st March 2022.

for **TITAN COMPANY LIMITED**

Bengaluru
3rd May 2022

C K VENKATARAMAN
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L74999TZ1984PLC001456
Nominal Capital : ₹ 120 crore

To,
The Members
Titan Company Limited
3, SIPCOT Industrial Complex
Hosur- 635126

We have examined all the relevant records of **TITAN COMPANY LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended MARCH 31, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanation and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations.

As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with items C and E.

For **V. Sreedharan & Associates**
Company Secretaries

(Pradeep B. Kulkarni)
Partner

F.C.S.7260; C.P.No.7835
UDIN: F007260D000258830

Bengaluru
3rd May 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Titan Company Limited
3, SIPCOT Industrial Complex
Hosur- 635126

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TITAN COMPANY LIMITED** having CIN L74999TZ1984PLC001456 and having registered office at 3, SIPCOT Industrial Complex, Hosur, Tamil Nadu- 635126 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	NOEL NAVAL TATA	00024713	07/08/2003
2.	BHASKAR BHAT	00148778	01/04/2002
3.	ASHWANI KUMAR PURI	00160662	06/05/2016
4.	SANDEEP SINGHAL	00422796	11/11/2020
5.	SANTHANAM	00494806	10/05/2018
6.	PRADYUMNA RAMESHCHANDRA VYAS	02359563	25/03/2019
7.	JAYASHREE MURALIDHARAN	03048710	11/08/2021
8.	SARANYAN KRISHNAN	03439632	10/12/2021
9.	PANKAJ KUMAR BANSAL	05197128	16/06/2021
10.	VENKATARAMAN KRISHNAMURTHY COIMBATORE	05228157	01/10/2019
11.	MOHANASANKAR	08497296	03/07/2019
12.	SINDHU GANGADHARAN	08572868	08/06/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate 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 **V. Sreedharan & Associates**
Company Secretaries

(Pradeep B. Kulkarni)
Partner

Bengaluru
3rd May 2022

F.C.S.7260; C.P.No.7835
UDIN: F007260D0000258709

Annexure A

Remuneration Policy

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Titan Company Limited (“company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Clause 49(IV)(B)(1) of the Equity Listing Agreement (“Listing Agreement”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**
 - o Independent directors (“ID”) and non-independent non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
 - o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
 - o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain

and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

- o Overall remuneration should be reflective of size of the company, complexity of the sector/industry/ company’s operations and the company’s capacity to pay the remuneration.
- o Overall remuneration practices should be consistent with recognized best practices.
- o Quantum of sitting fees may be subject to review on a periodic basis, as required.
- o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- o The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- o In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- **Remuneration for Managing Director (“MD”)/ Executive Directors (“ED”)/KMP/rest of the employees**

- o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector/industry/company’s operations and the company’s capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

- o In terms of remuneration mix or composition,

- The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imburements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of

the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.

- o The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.