

Corporate Governance Report

Corporate Governance Report for the Financial Year 2021-22

I. Company's Philosophy on Corporate Governance

Our Governance Philosophy is to ensure fair, transparent, accountable and ethical management in order to protect the interests of all stakeholders, including shareholders, employees, customers, vendors, regulators and community. As a responsible corporate citizen, Tata Sons Private Limited ("Tata Sons" or "Company") follows the applicable laws in letter and spirit. Further, the Governance Philosophy of the Company is based on resilience. Globally, organisations are becoming vulnerable as businesses become complex, virtual and interdependent. The Company believes that it is imperative to build a sustainable and resilient enterprise.

The Tata Code of Conduct provides an ethical road map and guidelines for employees of Tata companies. All the full-time employees of the Tata group are obliged to follow the tenets of the Tata Code of Conduct. It encapsulates our values of integrity, responsibility, excellence, pioneering and unity. It lays down the principles of the highest moral and ethical standards; highest standards of corporate governance; respect for human rights and dignity; professionalism, honesty, fairness and integrity in all interactions with employees, customers, communities & the environment, partners, financial stakeholders, government and regulators.

The Company being a private limited company, certain provisions as provided in the Companies Act, 2013 ("Act") are not applicable to the Company. However, to provide additional safeguards, transparency and high standards of corporate governance, the Company adopts certain provisions from the Articles of Association of the Company which are applicable to a public company i.e., Independent Directors, Audit Committee, Nomination and Remuneration Committee, Related Party Transactions and Retirement of Directors by rotation.

The Company's corporate governance philosophy has been further strengthened through its Code of Conduct for Prevention of Insider Trading.

II. Board of Directors

- i. As on March 31, 2022, the Board of Directors of the Company consists of nine Directors. Of the nine Directors, two are Executive Directors and seven are Non-Executive Directors out of which three are Independent Directors. Mr. Vijay Singh was appointed as Non-Executive Director of the Company with effect from February 11, 2022. Mr. N. Chandrasekaran was re-appointed as Executive Chairman for a further period of 5 years, with effect from February 21, 2022. Mr. Leo Puri was appointed as an Independent Director of the Company for a period of 3 years, not liable to retire by rotation, with effect from March 24, 2022.
- ii. Based on the information received from the Directors, none of them have been debarred or disqualified from being appointed or continuing as Directors of companies. Further, none of the Directors are related to each other. None of the Directors or Key Managerial Personnel hold any share in the Company. The Directors have also affirmed that they meet the 'fit and proper' criteria on a continuous basis to continue as Directors of the Company as prescribed by the Reserve Bank of India. The profiles of Directors are available at <https://www.tata.com/management-team>.
- iii. Nine Meetings of the Board of Directors were held during the year under review. The details of the Meetings of the Board and attendance of Directors thereat are provided in the Board's Report.

III. Committees of the Board

The Company has five Committees of the Board as on March 31, 2022. The details of the Committee along with the extract of terms of reference, category and composition are as follows:

Name of the Committee	Terms of Reference	Category and Composition		Other Details
		Name	Category	
Audit Committee	The terms of reference of the Audit Committee are as follows: <ul style="list-style-type: none"> - the recommendation for appointment, remuneration and terms of appointment of auditors of the Company; - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; - examination of the financial statement and the auditors' report thereon; - approval or any subsequent modification of transactions of the Company with Related Parties; - scrutiny of inter-corporate loans and investments; - valuation of undertakings or assets of the Company; and - evaluation of internal financial controls and risk management systems. 	Mr. Ajay Piramal, Chairman	Independent, Non-Executive	<ul style="list-style-type: none"> - The Committee invites such Executives as it considers appropriate, representatives of the Statutory Auditors and Internal Auditors, to be present at its meetings. - The Audit Committee, <i>inter alia</i>, reviewed the audited financial statements of the Company for the financial year ended March 31, 2022, prepared under IndAS and the report of the Auditors thereon before they submitted to the Board. - Three Meetings of the Audit Committee were held during the year under review. - The previous Annual General Meeting ("AGM") of the Company was held on September 14, 2021 and was attended by Mr. Ajay Piramal, Chairman of the Audit Committee.
		Mr. Venu Srinivasan	Non-Independent, Non-Executive	
		Mr. Harish Manwani*	Independent, Non-Executive	
		* Appointed as Member w.e.f. May 25, 2021		
Nomination & Remuneration Committee ("NRC")	The terms of reference of the NRC are as follows: <ul style="list-style-type: none"> - identifying persons who are qualified to become Directors of the Company, and recommending to the Board the terms of their appointment and re-appointment; - identifying persons who are qualified to be appointed to senior management positions in the Company, and recommending to the Board the terms of their appointment; - formulating criteria for evaluation of performance of the Directors of the Company; - formulating criteria for determining qualifications, positive attributes and independence of a Director; - recommending to the Board of Directors a policy relating to the remuneration for the Directors, key managerial personnel and other employees. 	Mr. Harish Manwani, Chairman	Independent, Non-Executive	<ul style="list-style-type: none"> - The Company carries on the Performance Evaluation of the Board, Board Committees, Chairman and individual Directors on an annual basis. - Two Meetings of the NRC were held during the year under review. - The previous AGM of the Company was held on September 14, 2021 and was attended by Mr. Harish Manwani, Chairman of the NRC.
		Mr. N. Chandrasekaran	Executive Director	
		Mr. Venu Srinivasan	Non-Independent, Non-Executive	
		Mr. Ajay Piramal	Independent, Non-Executive	

Name of the Committee	Terms of Reference	Category and Composition		Other Details
CSR & ESG Committee	The terms of reference of CSR & ESG Committee are as follows: - Formulate and recommend to the Board a CSR policy, which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Act. - Recommend the amount of expenditure to be incurred on the CSR activities, - Monitor the Corporate Social Responsibility Policy of the Company from time to time.	Name	Category	- The Committee was renamed as the 'CSR & ESG Committee' at the meeting of the Board of Directors held on May 25 & 26, 2021. - One Meeting of the CSR & ESG Committee was held during the year under review.
		Mr. N. Chandrasekaran Chairman	Executive Director	
		Mr. Ajay Piramal	Independent Non-Executive	
		Mr. Harish Manwani	Independent Non-Executive	
Group Risk Management Committee ("GRMC")	The terms of reference of the GRMC are as follows: - Analyse the material risks to which the group, its businesses and subsidiaries are exposed. - Discuss all risk strategies both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the group's overall risk appetite; - Identify potential intra-group conflicts of interest; - Assess whether there are effective systems in place to facilitate exchange of information for effective risk oversight of the group; - Assess whether the corporate governance framework addresses risk management across the group; - Carry out periodic independent formal review of the group structure and internal controls; - Articulate the leverage of the group and monitor the same.	Name	Category	- Four Meetings of the GRMC were held during the year under review wherein the risk areas were reviewed.
		Mr. Ajay Piramal	Independent Non-Executive	
		Mr. Harish Manwani	Independent Non-Executive	
		Mr. Venu Srinivasan	Non-Independent, Non-Executive	
		Mr. Bhaskar Bhat	Non-Independent, Non-Executive	
		Mr. Saurabh Agrawal	Executive Director	

Name of the Committee	Terms of Reference	Category and Composition		Other Details
		Name	Category	
Asset Liability Management Committee ("ALCO")	The terms of reference of the ALCO are as follows: - The ALCO shall formulate and recommend to the Board, an Asset Liability Management Policy in order to manage risks within a framework that includes self-imposed tolerance limits; - The ALCO shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company; - The ALCO shall delegate the responsibility of liquidity management and interest risk management to Treasury, Finance departments to measure, monitor and report the risk.	Mr. Saurabh Agrawal, Chairman	Executive Director	- Four Meetings of the ALCO were held during the year under review wherein the liquidity risk management of the Company was reviewed.
		Mr. Suprakash Mukhopadhyay	Company Secretary	
		Mr. Eruch N. Kapadia	Chief Financial Officer	

The details of the Meetings of the Committees and attendance of Members thereat are provided in the Board's Report.

IV. General Body Meetings

a. Details of the AGM held in the last 3 years:

Financial Year	Date	Time	Venue
2018-19	August 23, 2019	2.30 p.m. (IST)	Bombay House, 24 Homi Mody Street, Mumbai 400 001
2019-20	August 27, 2020	2.30 p.m. (IST)	Video Conferencing / Other Audio-Visual Means
2020-21	September 14, 2021	2.30 p.m. (IST)	

b. Details of the Extra-Ordinary General Meeting held in the Financial Year 2021-22:

Date of EGM	Particulars	Venue
January 7, 2022	- To appoint M/s PKF Sridhar & Santhanam, LLP, Chartered Accountants as one of the Joint Statutory Auditors of the Company - To appoint M/s T. P. Ostwal & Associates, LLP, Chartered Accountants as one of the Joint Statutory Auditors of the Company	Video Conferencing / Other Audio-Visual Means

Details of Special Resolution(s) passed in the last 3 AGM:

Financial Year	Special Resolution (s)
2018-19	- Re-appointment of Mr. Ajay Piramal as an Independent Director - Offers or Invitations to subscribe or issue Non-Convertible Debentures on a Private Placement basis
2019-20	No Special Resolution
2020-21	- Re-appointment of Mr. Harish Manwani as an Independent Director - To approve issue of Non-Convertible Debentures on Private Placement basis

V. General Shareholder Information

- i. AGM for the Financial Year 2021-22:

Day & Date: Tuesday, August 30, 2022

Time: 2:30 P.M (IST)

Venue: Video Conferencing / Other Audio-Visual Means

As required under Secretarial Standard 2 on General Meetings, particulars of Directors seeking appointment / re-appointment at the ensuing AGM are given in the Notice of the forthcoming AGM.

- ii. Financial Year: April 1 to March 31

- iii. Dividend Payment: The dividend, if approved by the shareholders shall be paid to the shareholders, in accordance with the provisions of the Act.

- iv. Corporate Identity Number of the Company: U99999MH1917PTC000478

- v. Details of Debenture Trustees: Centbank Financial Services Limited
3rd Floor (East Wing), Central Bank of India MMO Building, 55 M G Road, Fort, Mumbai, 400 001

- vi. Address for correspondence: Bombay House, 24, Homi Mody Street, Mumbai 400 001
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