

# CORPORATE GOVERNANCE

*Tata Consulting Engineers Limited (hereinafter referred to as 'TCE' or 'Company') has a strong legacy of following fair, transparent and ethical governance practices. Our Board of Directors and the Management Committee comprising enlightened leaders, work together to drive the core values that form TCE's guiding philosophy that good governance is an essential element of business, which helps the Company to fulfil its responsibilities for all its stakeholders. TCE's Corporate Governance traits include ethical business conduct, commitment to values and integrity, which enhance and retain stakeholders' trust. The Management Committee takes business decisions in consultation with the Board.*

## Company's Philosophy on Corporate Governance

Good Governance practices stem from the culture and the mindset of the organisation. Your Company considers fair and transparent Corporate Governance as one of its core management tenets.

TCE follows the best governance practices with the highest integrity, transparency and accountability. Strong leadership and effective corporate governance practices have been the Company's hallmarks inherited from the Tata culture and ethos.

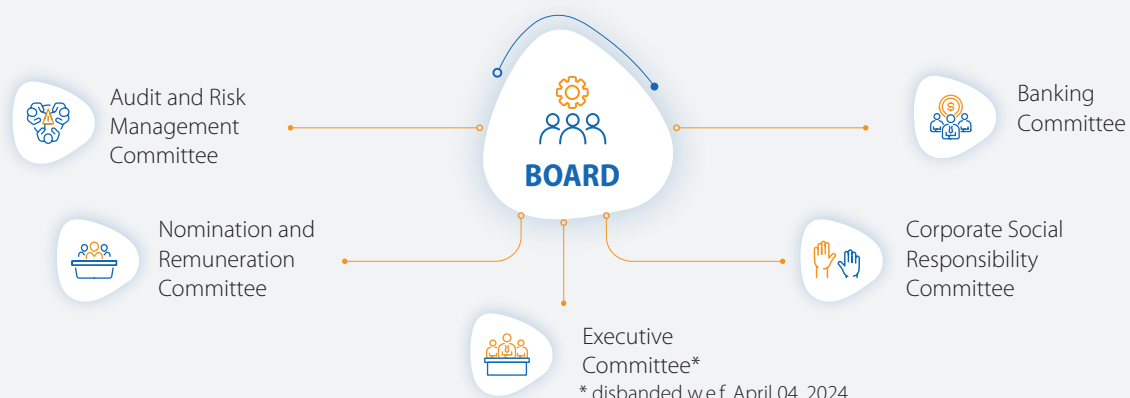
The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

As per Section 149 of the Companies Act, 2013 ("the Act") and as of the financial year ended March 31 2024, the Company does not fall under the requirement of mandatorily having an Independent Director on the Board of the Company or the Committees like the Audit & Risk Management Committee and Nomination & Remuneration Committee.

However, the Board has voluntarily appointed an Independent Woman Director, and accordingly, the Code of Conduct laid down under Schedule IV of the Act has been adopted for the said Independent Director.

The Company adheres to the Tata Board and Committee Governance Charter 2015, as amended from time to time, and its applicable provisions, for its voluntarily constituted Committees, namely the Audit & Risk Management Committee and the Nomination and Remuneration Committee. The Committees, i.e., Audit & Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Executive Committee & Banking Committee are functional in TCE as a good corporate governance practice. The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model.

The Company was awarded as the "Best Governed Company Unlisted Segment: Medium Category" in the 23rd edition of the ICSI National Awards for Excellence in Corporate Governance.



## Board of Directors

As of March 31, 2024, the Company has 5 Directors. Of the 5 Directors, 4 (i. e. 80%) are Non-Executive Directors including one Women Director. A brief resume of all Directors, the nature of their expertise in specific functional areas etc. is available at <https://www.tce.co.in/our-leadership/>. The Composition of the Board conforms with Section 149 of the Act. None of the Directors on the Board hold Directorship in more than ten public Companies.

5 Board Meetings were held during the year, and the gap between the two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are given below:

Date of Board Meetings	Number of Directors Present at the Board Meeting	Total Number of Directors	Attendance (%)
April 24, 2023	4	4	100
July 05, 2023	4	4	100
July 31, 2023	4	4	100
November 16, 2023	4	4	100
March 20, 2024	5	5	100

The necessary quorum was present for all the meetings.

Name of the Director	Category	Number of Board Meetings attended during FY 2023-24	Whether participated at the last AGM held on May 19, 2023 (Yes/No)	Number of Directorships in Other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other Listed Entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr Ashok Sethi* (Chairman) (DIN 01741911)	Non-Independent, Non- Executive	5	Yes	0	2	-	2	2
Mr Amit Sharma (Managing Director & CEO) (DIN 03212568)	Non-Independent, Executive	5	Yes	1	1	-	-	2
Ms Anjali Kulkarni*** (DIN 06993867)	Non-Independent, Non- Executive	5	Yes	-	6	-	1	6
Mr Sriram Kadiyala** (DIN 08449772)	Non-Independent, Non- Executive	5	No	-	-	-	-	-
Mr L Krishnakumar (DIN 00423616)	Non-Independent, Non- Executive	1#	NA	-	1	1	0	1
Dr Alka Mittal (DIN 07272207)	Non- Executive, Independent	NA##	NA	-	-	-	-	-

\*Mr. Ashok Sethi ceased from the office of directorship of the Company due to superannuation w.e.f. April 03, 2024 (closure of business hours)

\*\* Mr. Sriram Kadiyala ceased from the office of directorship of the Company due to resignation w.e.f. March 31, 2024 (closure of business hours)

\*\*\* Ms. Anjali Kulkarni ceased from the office of directorship of the Company due to resignation w.e.f. April 30, 2024 (closure of business hours)

#Mr. L Krishna Kumar has been appointed as an Additional Director, Non Executive Non Independent Category w.e.f. March 01, 2024

##Dr. Alka Mittal has been appointed as an Additional Director, (Independent Category) w.e.f. April 23, 2024

- The Directors have made necessary disclosures regarding Committee positions in other Public Companies as of March 31, 2024. None of the Directors are related to each other.
- The Board periodically reviews the compliance reports of all the laws applicable to the Company.
- Details of equity shares of the Company held by the Directors as of March 31, 2024: Not Applicable
- The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), names of other Public Companies in which the Director is a Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies as of March 31, 2024, are given hereinbelow. Other Directorships do not include Directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none is a member of more than ten committees or Chairman of more than five committees across all the Public Companies in which they are a Director. Committees considered for the aforesaid limit's evaluation are Audit Committee and Stakeholder Relationship Committee.

- v. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:
- **Global Business:** Understanding global business dynamics across geographical markets, industry verticals and regulatory jurisdictions.
  - **Strategy and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
  - **Governance:** Experience in developing governance practices, serving the best interests of all Stakeholders, maintaining Board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
  - **Financial Expertise:** Proficiency in financial management, financial reporting process, budgeting, treasury operations, audit and capital allocation. Ability to monitor the effectiveness of the risk management framework and practices.
  - **People Management:** Experience of developing talent, planning succession and driving changes towards long-term growth. General know-how of business management, talent management and development, workplace health & safety.

## Nomination and Remuneration Committee - Other Details

### Remuneration Policy

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer-centricity and requires employee mobility to address project needs. In each country where the Company operates, the Remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the industry.

The Company pays remuneration through salary, benefits, perquisites and allowances (fixed component) and variable component to its Managing Director and employees. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members, wherever required, and are effective from April 1, each year.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the annual bonus payable to the Managing Director and the Non-Executive Directors out of the profits for the financial year.

The annual bonus and commission is decided within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Non-Executive Director.

The Company pays sitting fees of ₹ 40,000 per meeting to its Non-Executive Directors (Not in Tata employment) and ₹ 20,000 per meeting to its other Non-Executive Directors for attending Board meetings and committees meetings of the Board. The Company also determines to pay commission to the Non-Executive Directors within the ceiling of 1% of the Company's net profits as computed under the Act's applicable provisions, with the members' approval.

The said commission is decided each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings.

## Committees of the Board

In the financial year 2023-24, the Board has accepted all recommendations of its committees. The draft Minutes of the Committee Meetings are circulated to the respective Committee members for their comments and the final Minutes are thereafter entered into the Minutes Book. Minutes of the proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting. The details about various Board Committees as of March 31, 2024, which comprises the Statutory Committees as well, are as follows:

Name of the Committee	Extract of Terms of Reference	Category and Composition	Other Details
Corporate Social Responsibility Committee	<p>The Committee is constituted in line with the provisions of Section 135 of the Act.</p> <ul style="list-style-type: none"> <li>Formulate and recommend to the Board a CSR Policy and CSR Annual Action Plan indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li> <li>Recommend the amount of the expenditure to be incurred on the activities mentioned in the CSR Policy.</li> <li>Monitor the Corporate Social Responsibility Policy of the Company from time to time.</li> </ul>	<p>Ms Anjali Kulkarni, Member Chairman</p> <p>Mr Ashok Sethi, Member Director</p> <p>Mr Amit Sharma, Member Director</p>	<p>During the year under review, the Company held 2 Corporate Social Responsibility Committee Meetings.</p>
Nomination & Remuneration Committee	<p>The Committee is constituted in line with the provisions of Section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Recommend to the Board the setup and composition of the Board and its committees.</li> <li>Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.</li> <li>Support the Board and Independent Directors in evaluating the performance of the Board, its Committees and Individual Directors.</li> <li>Recommend to the Board the Remuneration Policy for Directors, Executive Team or Key Managerial Personnel, and the rest of employees.</li> <li>Oversee familiarisation programs for the Directors..</li> </ul>	<p>Mr Ashok Sethi Member Chairman</p> <p>Ms Anjali Kulkarni Member Director</p> <p>Mr Sriram Kadiyala Member Director</p>	<p>During the year under review, the Company held 3 Nomination and Remuneration Committee meetings as a good corporate governance practice.</p>
Audit & Risk Management Committee	<p>The Committee is constituted in line with the provisions of Section 177 of the Act.</p> <ul style="list-style-type: none"> <li>Oversight of financial reporting process.</li> <li>Reviewing with the management the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval.</li> <li>Evaluation of internal financial controls and Risk Management systems</li> <li>Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>Approve policies in relation to the implementation of the Related Party Transactions.</li> <li>To consider matters with respect to the Tata Code of Conduct, Anti-Bribery and Anti- Corruption Policy and Gift Policy.</li> </ul>	<p>Mr Sriram Kadiyala, Member Chairman</p> <p>Mr Ashok Sethi, Member Director</p>	<p>During the year under review, the Company held 3 Audit &amp; Risk Management Committee Meetings as a good corporate governance practice.</p>
Executive Committee	<p>The Executive Committee oversees the operational review and strategic planning implementation review at the Business &amp; Cluster Level.</p> <ul style="list-style-type: none"> <li>Review and Achievements of Annual Business Plan.</li> <li>Review of Key Commercial Bidding Strategy.</li> </ul>	<p>Mr Ashok Sethi, Member Chairman</p> <p>Mr Amit Sharma, Member Director</p>	<p>During the year under review, the Company held 2 Executive Committee meetings.</p>

## Number of Board & Committee Meetings Held and Attendance Record (FY 2023-24)

Name of the Committee	Audit & Risk Management Committee	Nomination and Remuneration Committee	Board	Corporate Social Responsibility Committee	Executive Committee
No. of Meetings held	3	3	5	2	2
Date of Meetings	April 24, 2023 July 31, 2023 November 16, 2023	April 24, 2023 October 03, 2023 February 29, 2024	April 24, 2023 July 05, 2023 July 31, 2023 November 16, 2023 March 20, 2024	April 24, 2023 July 31, 2023	November 16, 2023 February 29, 2024
<b>No. of Meetings Attended</b>					
Mr Ashok Sethi*	3	3	5	2	2
Mr Sriram Kadiyala**	3	3	5	-	-
Ms Anjali Kulkarni***	-	3	5	2	-
Mr Amit Sharma	-	-	5	2	2
^Mr. L Krishna Kumar	-	-	1	-	-
<p>*Mr. Ashok Sethi ceased from the office of directorship of the Company due to superannuation w.e.f April 03, 2024 (closure of business hours)  ** Mr. Sriram Kadiyala ceased from the office of directorship of the Company due to resignation w.e.f March 31, 2024 (closure of business hours)  *** Ms. Anjali Kulkarni ceased from the office of directorship of the Company due to resignation w.e.f April 30, 2024 (closure of business hours)  ^Mr. L Krishna Kumar has been appointed as an Additional Director, Non Executive Non Independent Category w.e.f March 01, 2024 and has been inducted in the Committees (Audit &amp; Risk Management Committee, Nomination &amp; Remuneration Committee, Corporate Social Responsibility Committee and Banking Committee w.e.f April 04, 2024). Further, he has been designated as the Chairman of the Company w.e.f April 22, 2024</p>					
Whether a quorum was present for all the Meetings			The necessary quorum was present for all the above Board & Committee Meetings		

## General Body Meetings

### a. Annual General Meeting (AGM)

Financial Year	Date	Time	Venue
2020-21	Friday, June 04, 2021	11.30 A M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). Deemed Venue: Registered office, i.e., Matulya Centre 'A', 249, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013
2021-22	Tuesday, July 05, 2022	11.00 A M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Deemed Venue: Registered Office, i.e. Elphinstone Building, 10, Veer Nariman Road, Fort, Mumbai - 400 001
2022-23	Friday, May 19, 2023	11.30 A M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Deemed Venue: Registered Office, i.e. Elphinstone Building, 10, Veer Nariman Road, Fort, Mumbai - 400 001

b. **Extraordinary General Meeting:** No Extraordinary General Meeting of the members was held during FY 2023-24.

c. **Special Resolution(s) for FY 2023-24:** No Special Resolution for FY 2023-24.

The Secretarial Auditor M/s Amrita Nautiyal & Associates, Practicing Company Secretaries, have confirmed that the Board of the Company is duly constituted and processes relating to the changes in the composition of the Board were carried out in compliance with the provisions of the Act.

M/s B S R & Co. LLP Chartered Accountants (FRN 101248W/W-100022) have been re-appointed as the Company's Statutory Auditors as approved in the 23rd AGM, i.e., for five years block starting from FY 2022-23 till FY 2026-27. The particulars of payment of the Statutory Auditors' fee, on a consolidated basis, are given in the Statutory Section of the Annual Report.

## Other Disclosures

Particulars	Regulations	Details	Website Link for more information/policy
Related Party Transactions	As defined under the Act	The details of the Related Party Transactions are provided in the Board Report forming part of the Statutory Section. Transactions entered into with related parties during the financial year were in the ordinary course of business and at an arms' length basis and were approved by the Audit and Risk Management Committee. The Board's approved policy for Related Party Transactions is uploaded on the website of the Company.	<a href="https://www.tce.co.in/corporate-governance/">https://www.tce.co.in/corporate-governance/</a>
Whistle Blower Policy and Vigil Mechanism	As per the Act	The Company has a Whistle Blower Policy and has established the necessary Vigil Mechanism for Directors and employees to report unethical behaviour concerns.  No person has been denied access to the Chairman of the Audit & Risk Management Committee. The said policy has been uploaded on the website of the Company.	<a href="https://www.tce.co.in/corporate-governance/">https://www.tce.co.in/corporate-governance/</a>
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	As per the Act	The details have been disclosed in the Board's Report forming part of the Statutory Section of the Annual Report.	
Appointment of Independent Director	As per the Act	The terms & conditions of Appointment of Independent Director are uploaded on the website of the Company.	<a href="https://www.tce.co.in/wp-content/uploads/2024/05/Terms-and-Conditions-of-Appointment-of-Independent-Directors.pdf">https://www.tce.co.in/wp-content/uploads/2024/05/Terms-and-Conditions-of-Appointment-of-Independent-Directors.pdf</a>