

ANNEXURE 2 – INFORMATION PURSUANT TO 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2015-16	₹7,87,164
The percentage increase in the median remuneration of employees in the Financial Year	0.67%
The number of permanent employees on the rolls of the Company as on March 31, 2016	35,439

Name of Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2015-16
Non-Executive Directors		
Mr. Cyrus P. Mistry	0.81	-
Mr. Ishaat Hussain	14.88	5.92
Mr. D. K. Mehrotra	6.87	-
Independent Directors		
Mr. Nusli N. Wadia	14.42	5.88
Mr. Subodh Bhargava	14.38	5.55
Mr. Jacobus Schraven	8.18	7.51
Ms. Mallika Srinivasan	6.68	-
Mr. O. P. Bhatt	14.14	7.02
Mr. Andrew Robb	8.71	9.06
Executive Directors/ KMP		
Mr. Koushik Chatterjee	86.79	30.23
Mr. T. V. Narendran	86.49	12.13
Mr. Parvatheesam K.	12.42	-

Note:

Mr. Parvatheesam K. was appointed as the Company Secretary with effect from January 12, 2015. Since, his appointment was for part of the year in FY 2015, the disclosure with respect to percentage increase in his remuneration is not made.

(2) Relationship between average increase in remuneration and Company performance:

The average increase in remuneration during Financial Year 2015-16 was 6.3% as compared with previous financial year. Net revenue of the Company during the financial year was ₹ 38,210 crore as against ₹ 41,785 crore in the previous year. The total employee cost for the Financial Year ended March 31, 2016 was ₹ 4,325 crore as against ₹ 4,602 crore for the previous year. The total employee cost as a percentage of net revenue was 11% (last year 11%). The performance of the Company was under pressure due to the challenges it faced during the year. These are explained in detail in the operations and performance section of the Director's Report and the Management Discussion & Analysis Report.

Average increase in remuneration is guided by factors like inflation, normal salary revisions, external competitiveness and talent retention.

Whilst the Company has a strong focus on cost, employee cost being one of the key areas for cost monitoring and control, the results of any structural initiatives needs to be measured over a long-term horizon and cannot be strictly compared with annual performance indicators.

Besides employee costs, other significant internal and external factors impacting performance of the Company are explained in detail in the Management Discussion & Analysis Report.

(3) Comparison of the remuneration of the KMP against the performance of the Company:

Particulars	(₹ crore)
Aggregate remuneration of KMP in Financial Year 2015-16	15.65
Revenue	38,210
Remuneration of KMPs (as % of revenue)	0.04
Profit before Tax (PBT)	6,126
Remuneration of KMPs (as % of PBT)	0.25

(4) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sl. No	Description	(₹ crore)
1	Market Cap variation	
	Mcap at March 31, 2016	31,050
	Mcap at March 31, 2015	30,763
	Variation in Mcap in FY 2016 (%)	0.93
2	Price-to-Earnings Ratio	
	- PE as at March 31, 2016 (Mkt Price/EPS)	NA
	- PE as at March 31, 2015 (Mkt Price/EPS)	(7.50)
	Variation in PE in FY 2016 (%)	-
3	% Increase/Decrease from last Public Offer	
	- FPO price per share (January 2011)	610
	- Market price as at March 31, 2016	319.7
	% decrease from last FPO	(47.6)

Note: Given that the consolidated EPS for March 31, 2016 is negative, PE as at March 31, 2016 has been shown as NA.

(5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in salary of the Company's employees was 6.3%. The total managerial remuneration

for the Financial Year 2015-16 was ₹1,565 lakhs as against ₹1,209 lakhs during the previous year. The percentage increase in remuneration to Mr. T. V. Narendran, Managing Director and Mr. Koushik Chatterjee, Group Executive Director (Finance & Corporate) during the Financial Year 2015-16 was approximately 12% and 30% respectively.

(6) Comparison of the each remuneration of the KMP against the performance of the Company:

SN	Particulars of Remuneration	Key Managerial Personnel		
		Mr. T. V. Narendran MD	Mr. Koushik Chatterjee WTD & CFO	Mr. Parvatheesam K Company Secretary
1	Remuneration in FY 16 (₹ crore)	7.31	7.36	0.98
2	Revenue (₹ crore)	38,210		
3	Remuneration as % of Revenue	0.02	0.02	-
4	Profit before Tax (PBT) (₹ crore)	6,126		
5	Remuneration as % of PBT	0.12	0.12	0.01

(7) The key parameters for any variable component of remuneration availed by the directors:

Remuneration to the EDs involve balance between fixed and variable pay reflecting short and long-term performance objective appropriate to the working of the Company, its goals, for attracting and retaining the best talent.

Remuneration to NEDs involve sitting fees for attending meetings of the Board/Committees and commission based on the attendance and contribution towards governance practices and discharging fiduciary duties.

(8) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable since no employee of the Company receives remuneration in excess of the highest paid director.

(9) Remuneration is as per the remuneration policy of the Company.

On behalf of the Board of Directors

Mumbai
May 25, 2016

sd/-
CYRUS P. MISTRY
Chairman
(DIN: 00010178)