

**TATA INVESTMENT CORPORATION LIMITED**

**POLICY ON MATERIAL SUBSIDIARIES**

- *Effective from 1<sup>ST</sup> October 2014*
- *Revised on 26<sup>th</sup> May 2016 with immediate effect*
- *Revised on 4<sup>th</sup> February 2019 with effect from 1<sup>st</sup> April 2019*

## 1) SCOPE AND PURPOSE OF THE POLICY

Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") requires a company to formulate a policy for determining 'material' subsidiaries.

In light of the above, Tata Investment Corporation Limited has framed this Policy on Material Subsidiaries ("Policy"). This Policy has been adopted/ revised by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

In case of any inconsistency in the Policy and the SEBI Listing Regulations, as may be amended from time to time, the provisions of the SEBI Listing Regulations would prevail.

## 2) OBJECTIVE OF THE POLICY

The objective of this Policy is to determine 'material' subsidiaries of the Company and to provide the governance framework for such subsidiaries.

## 3) DEFINITIONS

"Act" means the Companies Act, 2013 including any amendment or modification thereof.

"Audit Committee" means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

"Company" means Tata Investment Corporation Limited.

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and the SEBI Listing Regulations.

"Subsidiary" means a company as defined in Section 2(87) of the Act.

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Securities Contract Regulation Act or any other applicable law or regulation.

#### **4) INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL NON LISTED SUBSIDIARY**

For this purposes, notwithstanding anything to the contrary contained in Policy, the term “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

#### **5) RESTRICTIONS ON DISPOSAL OF SHARES/ASSETS OF MATERIAL SUBSIDIARY**

The Company, without the prior approval of the shareholders by Special Resolution, shall not:

- a) Dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary;
- b) Sell, dispose and lease assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

The Shareholders approval as aforesaid would, however, not be required in cases where such divestment of shares or sale/disposal/lease of assets is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### **6) GOVERNANCE FRAMEWORK FOR UNLISTED SUBSIDIARY COMPANIES**

- a) The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- c) The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.

#### **7) DISCLOSURE**

The Policy on Material Subsidiary shall be disclosed on the website of the Company at [www.tatainvestment.com](http://www.tatainvestment.com) and a web link thereto shall be provided in the Annual Report of the Company.