



POLICY ON RELATED PARTY TRANSACTIONS

Tata Investment Corporation Limited

Version: 3.1
February 2025

Table of Content

Document Change Control	3
1. About the Company	4
2. Introduction to Policy Document	4
3. Definitions	4
4. Materiality Thresholds	6
5. Manner of Dealing with RPTs	6
6. Disclosures	10
7. RPTs Not Approved under this Policy	10

Document Change Control

Date	Version	Author [Name]	Reviewed By [Name]	Approval Date	Description
01-Oct-14	1.0	Manoj Kumar CV	--	01-Oct-14	Adoption of the Policy at the Board Meeting dated 01-Oct-14
04-Feb-19	2.0	Manoj Kumar CV	--	04-Feb-19	Review and adoption of the Policy at the Board Meeting dated 04-Feb-19
25-Apr-22	3.0	Manoj Kumar CV	--	25-Apr-22	Review and adoption of the Policy at the Board Meeting dated 25-Apr-22
01-Jan-25	3.1	Jamshed Patel	Manoj Gupta	11-Feb-25	<p>Review by ACB and Approved by Board of Directors in its meeting held on 11-Feb-25.</p> <p>The Policy is aligned with the format. Sec 2.1 & 2.3 – Interchange of clauses giving clear demarcation of Scope and Review of Policy</p> <p>Sec 2.2 – Added the following clause:</p> <p>a) the basis of identifying related parties of the Company as well as related party transactions,</p> <p>d) to grant Omnibus approval for the related party transactions proposed to be entered into by the Company or its subsidiary.</p> <p>Sec 3 - Inclusion of definition in 3.a, 3.d., 3.f, 3.i, 3.l, 3.m</p> <p>3.g – Material Modification increased from 5% to 20%,</p> <p>3.h. added the following – or meets any other parameters / criteria as decided by the Board/Audit Committee,</p> <p>3.k. ii. Added point vi – acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s).</p> <p>Sec 4 – Change in Materiality Clause</p> <p>Inclusion in Sec 5.a. – The Company Secretary shall be responsible for collation of information, coordination and sending the Related Party List to the concerned persons.</p> <p>Inclusion in Sec 5.b. – read with Section 177</p> <p>Inclusion in Sec 5.c. i,ii,iii,iv,v,vi– Insertions to align with recent amendments in SEBI LODR and recent industrial practise.</p>

1. About the Company

Tata Investment Corporation Limited (TICL/Company) is a Systemically Important Non-Deposit Taking NBFC-ML and does not have public borrowings and it has no customer interface. TICL invests in equities, fixed income, preference shares and quasi-equity securities. The Company invests in both quoted and unquoted securities; and also has exposure to commercial papers, certificate of deposits, mutual funds, venture capital funds and fixed deposits.

2. Introduction to Policy Document

2.1. Scope and Purpose

Related Party Transaction (RPT) can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of RPTs related as prescribed under the Companies Act, 2013 (Act) read with the Rules framed there under and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 (SEBI Listing Regulations). The Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all RPTs.

Further, Regulation 23(1) of the SEBI Listing Regulations requires a Company to formulate a policy on materiality of related party transactions and dealing with related parties. In light of the above, the Company has framed this Policy on Related Party Transactions (Policy).

2.2. Objective

The objective of this Policy is to set out:

- a) the basis of identifying related parties of the Company as well as related party transactions,
- b) the materiality thresholds for related party transactions;
- c) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company; and,
- d) to grant Omnibus approval for the related party transactions proposed to be entered into by the Company or its subsidiary.

2.3. Review of 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 Act / Listing Regulations, as may be amended from time to time, the provisions of the Act / Listing Regulations would prevail. Any amendments to the SEBI Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy. Any amendments to the Policy shall be recorded in in the “Document Change Control” section.

2.4. Disclosure

This Policy shall be disclosed on the website of the Company at <https://tatainvestment.com/>

3. Definitions

In this Policy, unless the context requires otherwise:

- a) “Act” means the Companies Act, 2013 as amended from time to time.
- b) “Arm's Length Transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

- c) "Audit Committee" means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.
- d) "Board of Directors" or "Board" shall mean the collective body of the Directors of the Company as constituted from time to time, in line with the provisions of the Act and Listing Regulations.
- e) "Company" means Tata Investment Corporation Limited.
- f) "Key Managerial Personnel" or "KMP" shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP.
- g) "Material modification" will mean and include any modification to a Related Party Transaction of an amount exceeding 20% of the existing value of transaction/contract.
Provided further that in the case of multi-year contracts with Related Parties, material modification shall mean and include any modification of an amount exceeding 20% of the transaction/contract value prevailing as at the end of the immediately preceding financial year.
- h) "Ordinary course of business" may include that transaction which is permitted by the Object Clause in the Memorandum of Association of the Company, or which is connected with the normal business of the Company or which is a historic/common commercial practice or the income earned of which is assessed a business income or expense incurred which is assessed as a business expense or meets any other parameters / criteria as decided by the Board/Audit Committee.
- i) "Relative" with reference to Director or KMP means relative as defined under sub-section (77) of Section 2 of the Act and rules prescribed there under. *Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on recognized stock exchange(s).*
- j) "Related Party" shall have the same meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.
- k) "Related Party Transactions" (RPTs) means:
- i. for the purpose of the Act, specified transaction of the Company with Related Parties mentioned in clause (a) to (g) of sub-section 1 of Section 188 and clause (iv) of sub-section 4 of Section 177 of the Act; and,
 - ii. for the purpose of Regulation 2(1)(zc) of the SEBI Listing Regulations, a transfer of resources, services or obligations between:
 - the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand,
 - the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from 01-Apr-23.regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract. Provided that this definition shall not be applicable for the units issued by Mutual Funds which are listed on recognized stock exchanges.
- Further, the following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:
- i. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - ii. payment of dividend by the Company;
 - iii. subdivision or consolidation of securities by the Company;
 - iv. issuance of securities by way of a rights issue or a bonus issue; and,
 - v. buy-back of securities.

- vi. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s).
 - l) "Regulation 23" means the Regulation 23 of the SEBI Listing Regulations, as amended from time to time.
 - m) "SEBI Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.
 - n) "Subsidiary" means a company as defined in Section 2(87) of the Act.
- 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. Materiality Thresholds

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required.

- a) Any transaction for purchase or sale of securities with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the Net-worth of the Company as per the last audited financial statements of the Company as the material threshold limit, however, not exceeding Rs 1,000 cr as per last audited financial statements of the Company for the purpose of Regulation 23(4) of the SEBI Listing Regulations.
- b) All other transactions with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the turnover of the Company as per the last audited financial statements of the Company as the material threshold limit, however, not exceeding Rs 1,000 cr as per last audited financial statements of the Company for the purpose of Regulation 23(4) of the SEBI Listing Regulations. For brand usage or royalty payment with a related party not exceeding 5% of the annual consolidated turnover of the Company or 1000 cr whichever is lower as per the last audited financial statements.

5. Manner of Dealing with Related Party Transactions RPTs

- a) **Identification of Related Parties:** The Company has adopted a process for identification and updating the list of related parties as prescribed u/s 2(76) of the Act, read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations. The Company Secretary shall be responsible for collation of information, coordination and sending the Related Party List to the concerned persons.
- b) **Identification of Potential Related Party Transactions:** The Company has adopted a process for identification of related party transactions in accordance with Section 188 read with Section 177 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has adopted a process for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.
- c) **Procedure for approval of Related Party Transactions:**
 - i. *Approval of the Audit Committee:*

All Related Party Transactions, any modifications to transactions with Related Parties as per the provisions of the Act, and subsequent material modifications to transactions with Related Parties as defined under SEBI Listing Regulations, shall require prior approval of the ACB, whether at a meeting or by circular.

All Related Party Transactions to which subsidiary of Company is a party but Company is not a party, and the value of the transaction for purchase or sale of securities with related party exceeds 10% of the Net worth of the subsidiary company and for all other transactions exceeds 10% of the standalone turnover of the subsidiary

company shall require prior approval of the Audit Committee. Further, the Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction. Members of the Audit Committee who are Independent Directors, shall alone approve the RPTs. In case of a transaction, other than transactions referred to in Section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

ii. Omnibus approval of the Audit Committee:

All related party transactions undertaken by the Company and/or its subsidiary as defined under SEBI Listing Regulations, shall require prior approval of the Audit Committee. However, the Company and/or its subsidiary may obtain omnibus approval from the Audit Committee for such transactions, subject to compliance with the following conditions:

- The Audit Committee shall lay down the criteria for granting omnibus approval in line with the Policy and will be applicable in respect of repetitive transactions;
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- The omnibus approval shall provide details of: (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price/current contracted price and the formula for variation in the price if any, and (iii) such other conditions as the Audit Committee may deem fit. However, in case of related party transactions which cannot be foreseen and where the above details are not available, the ACB may grant omnibus approval provided the value does not exceed Rs 1.00 cr per transaction;
- The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given; and
- Such omnibus approval shall be valid for 1 year and shall require fresh approval after expiry of 1 year.

While assessing a proposal put up before the ACB/Board for approval, the Committee/Board may review the following documents/seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- Nature of the transaction i.e. details of goods or property to be acquired/transferred or services to be rendered/availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- Key covenants (non-commercial) as per the draft of the proposed agreement/contract to be entered into for such a transaction;
- Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- Value of the proposed transaction;
- Special terms covered/to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
 - 3rd party comparable, valuation reports, price publications including stock exchange and commodity market quotations;

- management assessment of pricing terms and business justification for the proposed transaction; and
- comparative analysis, if any, of other such transactions entered into by the Company.

The Audit Committee will be provided with all relevant material information of the Related Party Transactions, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. The Independent Directors who are members of the ACB may accordingly approve or modify such transactions, in accordance with this Policy and/or recommend the same to the Board for approval. The Independent Directors shall ensure that adequate deliberations are held before approving RPTs which are not in the Ordinary Course of Business or not on arm's length or material specific transactions and assure themselves that the same are in the interest of the Company and its Shareholders.

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions which are not at arm's length or not in the ordinary course of business;
- Transactions which are not repetitive in nature;
- Transactions exceeding materiality thresholds as laid down in Clause 4 of this Policy;
- Transactions in respect of selling or disposing of the undertaking of the Company;
- Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

iii. Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval. In addition, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the ACB is unable to determine whether they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in ACB's view requires Board approval;
- Transactions which are viewed to be in the ordinary course of business and at arm's length basis by the Management, but which are also tabled to the Board for its approval from an improved governance perspective; and,
- Transactions meeting the materiality thresholds laid down in Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the Meeting during discussions on the subject matter of the Resolution relating to such contract or arrangement. The Agenda of the Board Meeting at which the Resolution is proposed to be moved for approval of the Related Party Transaction shall disclose the following details:

- the name of the Related Party and the nature of relationship;
- the nature, duration and particulars of the contract or arrangement;
- the material terms of the contract or arrangement, including the value, if any;
- any advance paid or received for the contract or arrangement, if any;
- the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract;

- whether all factors relevant to the contract have been considered; if not, the details of factors not considered, with the rationale for not considering those factors; and
- any other information relevant or important for the Board to take a decision on the proposed transaction.

iv. *Approval of the Shareholders of the Company*

- All material RPTs under the SEBI Listing Regulations and subsequent material modifications thereto, shall require prior approval of the shareholders through a resolution. For this purpose, no entity falling under the definition of related parties under SEBI Listing Regulations shall vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.
- Transactions with Related Parties, other than material RPTs as per the SEBI Listing Regulations, which are either not in the Ordinary Course of Business or are not on an arm's length basis and exceeds the thresholds provided under the Act and Companies (Meetings of Board and its Powers) Rules, 2014, shall also require the prior approval of the shareholders by a Resolution and all Related Parties shall abstain from voting on such Resolution. Material modifications to the said RPTs shall also require prior approval of the shareholders.

v. *Ratification of Related Party Transactions by the Audit Committee*

The Members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of clause 4 of this Policy;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of Regulation 23 of the Listing Regulations;
- (v) any other condition as specified by the audit committee.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it."

vi. *Exemptions from seeking approval of Audit Committee and Shareholders as applicable:*

- As per Regulation 23(5) of the SEBI Listing Regulations, the requirement for seeking Audit Committee and shareholders' approval shall not be applicable to:
- For Audit Committee Approval if:
 - a) RPTs, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
 - b) transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
 - c) transactions entered into between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - d) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on the one hand and the Central Government or any State Government or any combination thereof on the other hand.
 - e) remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of clause 4 of this Policy.

- For Shareholders Approval if:
 - a) transactions in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.
 - b) RPTs, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.

6. Disclosures

The Company shall disclose, in the Board's report, transactions prescribed in u/s 188(1) of the Act with related parties, which are not in the ordinary course of business or arm's length basis along with the justification for entering into such a transaction. In addition to the above, the Company shall also provide details of all RPTs exceeding the materiality threshold in terms of clause 4 of this Policy on a quarterly basis to the stock exchanges. Further, the Company shall submit to the stock exchanges, on a half-yearly basis, within the timelines as prescribed by SEBI from time to time, the disclosures relating to RPTs in the format as specified by SEBI from time to time and publish the same on the website of the Company. This Policy shall also be uploaded on the website of the Company as mentioned above and a weblink thereto shall be provided in the Annual Report of the Company.

7. RPTs Not Approved under this Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the ACB. The ACB shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a RPT that has commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the Board as well as Shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.
