

## REPORT ON CORPORATE GOVERNANCE

**Company's Philosophy on code of governance :**

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

**Board of Directors :**

As on 31st March, 2017, the Board of Directors of the Company comprised of nine members, of whom eight are Non-Executive Directors. In accordance with the provisions of the Companies Act, 2013 ("Act"), and the Company's Articles of Association, Mr. N. N. Tata, Director, retires by rotation and is eligible for re-appointment. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), the profile of the Director seeking re-appointment, has been given along with the Notice of the Annual General Meeting. None of the Directors are related to one another.

**Board Meetings :**

21 Board/Committee Meetings were held at Mumbai during the year under review comprising 6 Board Meetings, 14 Meetings of various Committees and one Independent Directors Meeting. The Board Meetings were held on 26th April, 2016, 23rd May, 2016, 2nd August, 2016, 25th October, 2016, 13th February, 2017 and 14th March, 2017. The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of the SEBI-designated Board Committees of other companies as well as his holding in the Company, as on 31st March, 2017 are given below :

Name of Directors	DIN	Category of Director	Board Meetings attended during 2016-17	No. of Directorships of other Indian companies as on 31st March, 2017	Membership of mandatory Board Committees of other companies as on 31st March, 2017		No. of Ordinary Shares held as on 31st March, 2017
					Chairman	Member	
				Director			Ordinary Shares
Mr. N. N. Tata	00024713	Non Independent	6	6	1	2	19,145
Mr. F. N. Subedar	00028428	Non Independent	5	9	4	4	2,455
Mr. A. B. K. Dubash	00040958	Independent	4	-	-	-	2,265
Mr. K. A. Chaukar	00033830	Non Independent	6	7	2	2	-
Mr. H. N. Sinor	00074905	Independent	5	7	3	3	-
Mr. P. P. Shah	00066242	Independent	6	8	1	6	-
Mr. A. N. Dalal	00297603	Executive Director	6	5	1	1	-
Mr. Z. Dubash	00026206	Independent	6	1	-	1	-
Mr. A. Chandra*	00009797	Independent	1	-	-	-	-
Ms. V. Bhandarkar	00033808	Independent	5	5	2	6	-

\*Mr. A. Chandra resigned as a Director on the Board and Committees of Board w.e.f 22nd September, 2016.

All the Directors had attended the last Annual General Meeting held on 5th August, 2016.

### Committee of Directors :

Details of the various Committees of the Board of Directors of the Company as on 31st March, 2017 and the meetings attended by each Director during the year 2016-17, shown within brackets, are as under :

	<u>Name of the Director</u>
Audit Committee : (4 meetings held during the year)	Mr. H. N. Sinor – Chairman (3), Mr. A. B. K. Dubash (3), Mr. F. N. Subedar (4), Mr. P. P. Shah (4)
Nomination and Remuneration Committee : (1 meeting held during the year)	Mr. Z. Dubash – Chairman (1), Mr. N.N. Tata (1), Mr. F. N. Subedar (1), Mr. A. Chandra* (-), Ms. V. Bhandarkar# (-)
Stakeholders' Relationship Committee : (2 meetings held during the year)	Mr. F. N. Subedar – Chairman (2), Mr. K. A. Chaukar (2), Mr. A. N. Dalal (2)
Investment Committee : (3 meetings held during the year)	Mr. N. N. Tata – Chairman (2), Mr. F. N. Subedar (2), Mr. A. B. K. Dubash (-), Mr. K. A. Chaukar (3), Mr. P. P. Shah (1), Mr. Z. Dubash (2)
Asset Liability and Risk Management Committee : (2 meetings held during the year)	Mr. H. N. Sinor – Chairman (2), Mr. K. A. Chaukar (2), Mr. A. N. Dalal (2)
Corporate Social Responsibility Committee : (2 meetings held during the year)	Mr. F. N. Subedar – Chairman (2), Mr. A. N. Dalal (2), Mr. A. Chandra* (1), Mr. A. B. K. Dubash# (1)
Independent Directors Meeting (1 meeting held during the year)	Mr. Z. Dubash– Chairman (1), Mr. A. B. K. Dubash (1), Mr. H. N. Sinor (1), Mr. P. P. Shah (1), Mr. A. Chandra* (-), Ms. V. Bhandarkar (1)

\*Mr. A. Chandra resigned as a member of Committees of Board w.e.f. 22nd September, 2016.

#Mr. A. B. K. Dubash was appointed as a member of the Corporate Social Responsibility Committee and Ms. V. Bhandarkar was appointed as a member of the Nomination and Remuneration Committee w.e.f. 10th October, 2016.

### Audit Committee :

The Audit Committee has been constituted in compliance with (i) Section 177 of the Act (ii) Regulation 18 of the Listing Regulations as mandated by the Stock Exchanges and (iii) the Reserve Bank of India Non-Banking Financial Companies Guidelines. All the Members of the Audit Committee, except Mr. F. N. Subedar are Independent Directors.

The terms of reference of the Audit Committee include are as under :

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to the items mentioned in Para A (4) of Part C of Schedule II of the Listing Regulations ;
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) (as also provided in the Act), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up thereon;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) To review management discussion and analysis of financial condition and results of operations;
- u) To review statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- v) To review management letters / letters of internal control weaknesses issued by the statutory auditors;
- w) To review Internal audit reports relating to internal control weaknesses;
- x) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

- y) To oversee financial reporting controls and process for material subsidiaries;
- z) To oversee compliance with legal and regulatory requirements including the Tata Code of Conduct (TCoC) for the company and its material subsidiaries;
- aa) To oversee the implementation of code of conduct for prevention of insider trading; and
- ab) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reports its findings to the Board at the subsequent meeting and its recommendations are implemented by the management.

#### **Nomination and Remuneration Committee :**

The Nomination and Remuneration Committee has been constituted in compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Committee as on 31st March, 2017 comprises of four Directors viz. Mr. Z. Dubash (Chairman), Mr. N. N. Tata, Mr. F. N. Subedar and Ms. V. Bhandarkar.

Mr. A. Chandra resigned as a member of the Nomination and Remuneration Committee w.e.f. 22nd September, 2016 and Ms. V. Bhandarkar was appointed as a member of the Nomination and Remuneration Committee w.e.f. 10th October, 2016.

#### **The terms of Reference of the Nomination & Remuneration Committee are as follows :**

- a) Recommend to the Board the setup and composition of the Board and its Committees. This shall include formulation of the criteria for determining qualifications, positive attributes and independence of a director. The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience;
- b) Recommend to the Board the appointment or reappointment of directors;
- c) Devising a policy on Board diversity;
- d) Recommend to the Board Appointment of Key Managerial Personnel ("KMP") and executive team members of the company (as defined by this committee);
- e) Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include formulation of criteria for evaluation of Independent Directors and the Board. Additionally, the committee may also oversee the performance review process of the KMP and the executive team of the company;
- f) Recommend to the Board the remuneration policy for directors, executive team/ KMP as well as the rest of the employees;
- g) On an annual basis, recommend to the Board the remuneration payable to directors and executive team/ KMP of the company;
- h) Oversee familiarisation programmes for directors;
- i) Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team);
- j) Provide guidelines for remuneration of directors on material subsidiaries, (if any); and
- k) Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

#### **Remuneration Policy :**

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Key principles governing this remuneration policy are as follows:

**Remuneration for Independent Directors and Non-Independent Non-Executive Directors :**

- a) Independent Directors (“ID”) and Non-Independent Non-Executive Directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- b) Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board.
- c) Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company taking into consideration the challenges faced by the Company and its future growth imperatives.
- d) Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay the remuneration.
- e) Overall remuneration practices should be consistent with recognized best practices.
- f) Quantum of sitting fees may be subject to review on a periodic basis, as required.
- g) The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- h) The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- i) In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

**Remuneration for Managing Director (“MD”)/ Executive Directors (“ED”)/ KMP/ rest of the employees :**

- a) The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- b) The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- c) Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- d) In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company

also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

- e) The Company provides retirement benefits as applicable.
- f) In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- g) The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

The Directors are paid sitting fees and commission in accordance with Section 197 and 198 of the Act. A total remuneration of ₹141.80 lacs was paid to the Non-Executive Directors during the year ended 31st March, 2017. The remuneration paid to each Non-Executive Director is given below :

(₹ in lacs)

Name of the Director	Sitting fees paid during 2016-17	Commission for 2015-16 paid in 2016-17
Mr. N. N. Tata	1.80	19.00
Mr. F. N. Subedar	2.80	17.00
Mr. A. B. K. Dubash	3.20	9.00
Mr. K. A. Chaukar	4.40	11.00
Mr. H. N. Sinor	4.00	14.50
Mr. P. P. Shah	4.80	12.50
Mr. Z. Dubash	4.00	13.50
Mr. A. Chandra*	0.40	11.50
Ms. V. Bhandarkar	2.40	6.00
<b>TOTAL</b>	<b>27.80</b>	<b>114.00</b>

\*Mr. A. Chandra resigned as a Director on the Board and Committees of Board w.e.f 22nd September, 2016.

The commission to the Non-Executive Directors is based on the net profits of the Company for the year, the number of meetings of the Board and/or Committees attended by the concerned Directors and their contribution to the Company in terms of deliberations at the Board/Committee Meetings as well as in the overall functioning of the Company. The Company does not have a scheme for grant of stock-options to the Executive Director, Non-Executive Directors or Employees of the Company.

The members had, at the Annual General Meeting held on 13th August, 2015, re-appointed Mr. A. N. Dalal as the Executive Director of the Company for a period of five years with effect from 1st January, 2015. The appointment can be terminated by either party giving to the other party six months notice or the Company paying six months remuneration in lieu of the notice.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. Salary and perquisites are paid within the range approved by the shareholders. Commission payable to the Executive Director is determined with reference to performance of the individual during the preceding year and to the net profits of the Company for the year and is determined by the Board of Directors at the end of the financial year along with annual incremental effective 1st April for the next year based on the recommendation of the Nomination and Remuneration Committee within the limits fixed by the shareholders and subject to over-all ceilings

stipulated in Section 197 and 198 of the Companies Act, 2013. The specific amount sanctioned to the Executive Director is payable after the Annual Accounts have been approved by the Board of Directors. The remuneration paid to the Executive Director during the year 2016 - 2017 is given below :-

(₹ in lacs)

Name	Salary	Perquisites	Provident Fund	Performance Bonus for 2015-16 paid in 2016-17
Mr. A. N. Dalal	259.56	0.48	9.36	140.00

#### Stakeholders' Relationship Committee :

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted.

The Committee under the Chairmanship of Mr. F. N. Subedar, approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Registrar, oversee overall improvement of the quality of Investor services, performance of Registrar and Transfer Agents, oversees compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention of Insider Trading. Mr. Manoj Kumar C V, Chief Financial Officer & Company Secretary is also the Compliance Officer.

The Registrar had received correspondence from shareholders on 518 matters in the aggregate during the year. There were 184 queries regarding dividend warrants including changes on live warrants or issue of fresh cheques against time barred instruments, 121 requests for registration of change of address, Bank details, ECS, nomination, document registration, transmission of shares, loss of securities etc. and 213 correspondence for other miscellaneous matters. There was 1 case reported as a complaint which was resolved during the year. There was no complaint pending as on 31st March, 2017.

#### Investment Committee :

The Investment Committee comprising Mr. N. N. Tata (Chairman), Mr. F. N. Subedar, Mr. A. B. K. Dubash, Mr. K. A. Chaukar, Mr. P. P. Shah and Mr. Z. Dubash, has been constituted. The investment policy and specific recommendations form an important part of the discussions at the Investment Committee meetings. Specific investment decisions, based on detailed analysis and recommendations of the Investment Executives, are taken by investment committee circulars with full disclosure and subsequent review at Board / Committee Meetings.

#### Asset Liability and Risk Management Committee :

In accordance with the Reserve Bank of India guidelines, an Asset Liability and Risk Management Committee of the Board comprising Mr. H. N. Sinor (Chairman), Mr. K. A. Chaukar and Mr. A. N. Dalal, has been constituted for implementation of the Asset Liability Management system and to review its functions periodically. The Committee also reviews the Risk Management Policy of the Company from time to time.

#### Corporate Social Responsibility Committee :

The Corporate Social Responsibility (CSR) Committee comprising Mr. F. N. Subedar (Chairman), Mr. A. N. Dalal, and Mr. A. B. K. Dubash, has been constituted under Section 135 of the Act.

Mr. A. Chandra resigned as a member of the Corporate Social Responsibility Committee w.e.f. 22nd September, 2016 and Mr. A. B. K. Dubash was appointed w.e.f. 10th October, 2016.

The terms of reference of Corporate Social Responsibility Committee are as follows :-

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act ;
- Recommend the amount to be spent on the CSR activities ;

- c) Monitor the Company's CSR policy periodically ;
- d) Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. An Annual Report on CSR activities for the year 2016-17 forms a part of the Board's Report.

### **Independent Directors Meeting :**

In terms of Section 149 of the Act and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held, inter alia, to discuss:

- a) Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- c) Evaluation of the quality, content and timeliness of flow on information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors except Mr. A. Chandra were present at the Meeting.

### **Board and Director Evaluation and criteria for evaluation :**

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for performance evaluation process for the Board, its Committees and Directors, including the Chairman of the Company. The criteria laid down by the Committee are:

#### **A. Criteria for Board Evaluation :**

- i. Degree of fulfillment of key responsibilities.
- ii. Board structure and composition.
- iii. Establishment and delineation of responsibilities to Committees.
- iv. Effectiveness of Board processes, information and functioning.
- v. Board culture and dynamics.
- vi. Quality of relationship between the Board and the management.
- vii. Efficacy of communication with various stakeholders.

#### **B. Criteria for Evaluation of independent and non-independent Directors :**

- i. Attendance.
- ii. Contribution at Board Meetings.
- iii. Guidance/ support to management outside Board/ Committee Meetings.
- iv. For the Chairman of the Board, additional criteria include providing effective leadership to the Board; setting an effective strategic agenda of the Board; encouraging active engagement by all the members of the Board, promoting effective relationships and open communication; communicating effectively with all stakeholders and enabling meaningful relationships; and motivating and providing guidance to the Managing Director & CEO.

#### **C. Criteria for Evaluation of Board Committees :**

- i. Degree of fulfillment of key responsibilities.
- ii. Adequacy of Board Committee composition.



- iii. Effectiveness of meetings.
- iv. Committee dynamics.
- v. Quality of relationship of the Committee with the Board and the management.

**Familiarisation Programme :**

The Company has Familiarisation Programme for the Independent Directors with respect to the Company, their roles, rights, responsibilities and details of such Familiarisation Programme is available in the Company's website at this web address [http://www.tatainvestment.com/images/Familiarisation\\_Programme\\_For\\_IndependentDirectors.pdf](http://www.tatainvestment.com/images/Familiarisation_Programme_For_IndependentDirectors.pdf).

**Subsidiary Company :**

The Company has an unlisted subsidiary which is not a material subsidiary. The Audit Committee reviews the investments made by the unlisted subsidiary company. The minutes of the board meetings are periodically placed before the Board of Directors of the Company. The Company has framed a Policy for determining the Material Subsidiary and which is available at the Company's website at this web link: [http://www.tatainvestment.com/images/Material\\_Subsubsidiary\\_Policy.pdf](http://www.tatainvestment.com/images/Material_Subsubsidiary_Policy.pdf).

**General Body Meetings :**

The Annual General Meeting of the Company will be held on Monday, 21st August, 2017 at Rangaswar Auditorium, Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai 400 021. The last Annual General Meeting was held on 5th August, 2016 at Rangaswar Auditorium, Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai 400 021. Prior thereto, the Annual General Meetings were held on 13th August, 2015 at Rangaswar Auditorium, Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai 400 021 and on 5th August, 2014 at Rangaswar Auditorium, Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai 400 021. There was no resolution passed through Postal Ballot during the year. There were no special resolutions passed during the last three Annual General Meetings.

**Disclosures :**

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following weblink [http://www.tatainvestment.com/images/RelatedParty\\_Policy.pdf](http://www.tatainvestment.com/images/RelatedParty_Policy.pdf).
- ii) The particulars of transactions between the Company and its related parties in accordance with Accounting Standard 18 are set out in Note No.10 to the Accounts. These transactions are in the ordinary course and are not likely to have any conflict with the interest of the Company.
- iii) There were no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- iv) There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- v) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- vi) In accordance with the High Court Orders dated 27th September, 2002, 30th January, 2009 and 25th September, 2009 and the Accounting Practice adopted earlier, provision for diminution in the value of investments amounting to ₹ 626.46(net) has been credited to the Securities Premium Account during the year instead of to the Statement of Profit and Loss as prescribed under the Accounting Standard (AS) on 'Accounting for Investments.'
- vii) The Company has complied with all the mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (2) relating to the dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:

- The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
- The financial statements of the Company are with unmodified audit opinion.
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- The Internal Auditor reports to the Audit Committee.

#### **CEO/CFO Certification :**

The Executive Director and the Chief Financial Officer & Company Secretary have certified to the Board that:

- (a) They have reviewed the financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs as on 31st March, 2017 and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company and have reported to the auditors and the Audit Committee that they are not aware of any deficiencies in the design or operation of internal controls. In the event such deficiencies do arise, the same shall be reported to the auditors and the Audit Committee forthwith.
- (d) They have indicated to the auditors and the Audit Committee that there have been -
  - (i) no changes in internal control during the year;
  - (ii) no changes in accounting policies during the year, other than those mentioned in the Notes to the Financial Statements,
  - (iii) no instances of fraud of which they have become aware and / or the involvement therein of any of the management or any employee of the Company.

#### **Code of Conduct :**

The Company has adopted the Tata Code of Conduct for all employees of the Company, including the Executive Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. Both the Codes are posted on the Company's website.

A declaration to the effect that all Board members and senior management personnel have confirmed compliance with the Code of Conduct during the year ended 31st March 2017 duly signed by the Executive Director is annexed hereto.

#### **Whistle Blower Policy / Vigil Mechanism :**

The model Whistle Blower Policy suggested for Tata companies has been adopted by the Board of Directors. The policy provides for adequate safeguards against victimisation of employees and also provides for access to the Audit Committee. The policy has been appropriately communicated within the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

#### **Means of Communication :**

The unaudited quarterly results and audited results for the year are published in one English newspaper (Business Standard/ Financial Express) and at least one vernacular newspaper (Loksatta/Sakaal) shortly after its submission to the Stock Exchanges.

The Company's website [www.tatainvestment.com](http://www.tatainvestment.com) contains relevant information including matters pertaining to investor relations, shareholder benefits, as well as quarterly/annual financial results.

**Share Transfer System :**

TSR Darashaw Ltd. (TSRDL) are the Registrar and Transfer Agents of the Company. TSRDL has a network of Investor Relation Centres (IRCs) at Mumbai, Bengaluru, Jamshedpur, Kolkata and New Delhi to accept the documents / bankers requests / queries / correspondence from the investors / shareholders of the Company.

Physical shares lodged for transfer at the Registrars' address are normally processed within 15 days from the date of lodgement, and requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days from the date of lodgement, if the documents are clear in all respects. The Chief Financial Officer & Company Secretary who is also the Compliance Officer verifies the Transfer Register sent by the Registrar. The Stakeholders' Relationship Committee approves the transfer of shares.

TSRDL has an Investor Interface Cell which handles all queries/correspondence/requests received across the counter/walk in investors, over the phone and by e-mail. Written communication received from the Investors is segregated into different categories on the basis of the nature of the query received. The concerned workgroup takes the required action in respect of the same by accessing the current shareholder information on TSRDL database. The details are verified and responded through customised and fully automated systems for handling such correspondence. Copies of the responses for complaints/ letters received through statutory bodies, wherever required, are forwarded to the Company for their reference and records.

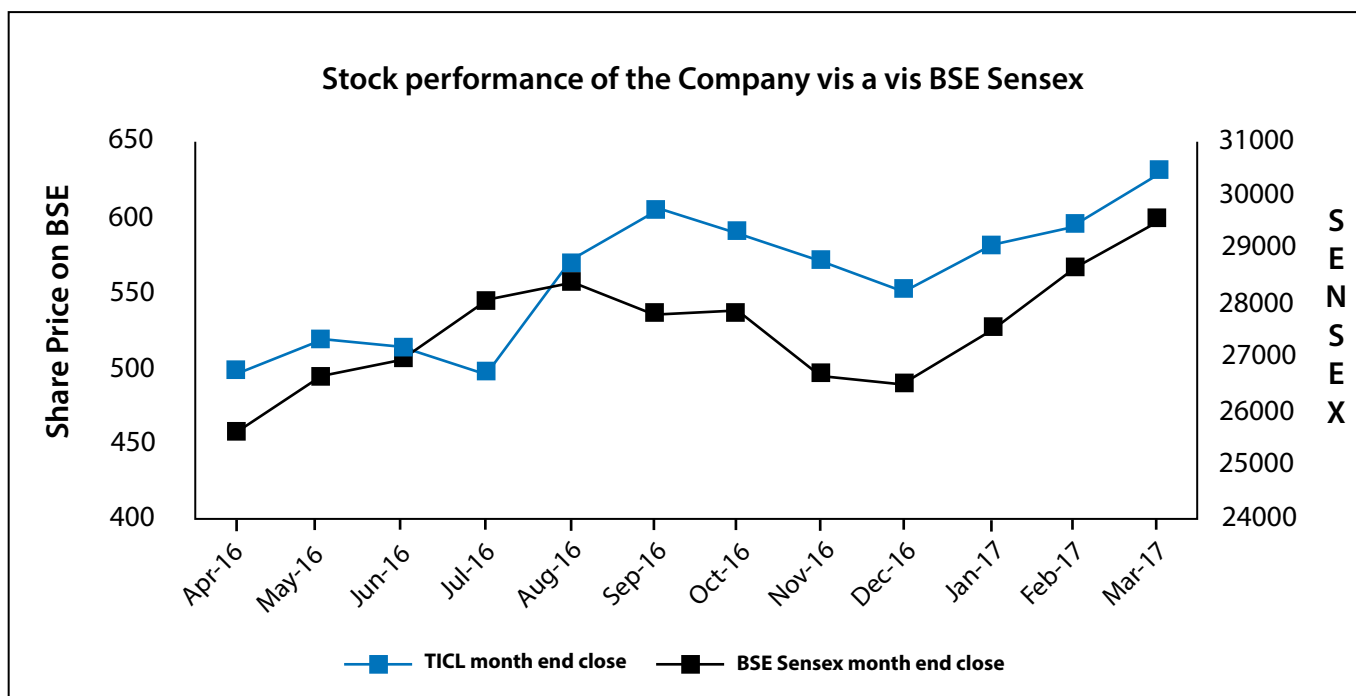
The endeavour is to attend to shareholder requests and redress their queries speedily and to their satisfaction, keeping in mind the statutory/regulatory time frame of 30 days. Investors' grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Stakeholders' Relationship Committee.

**Management Discussion and Analysis :**

Management Discussion and Analysis forms part of the Directors' Report

<b>General Shareholder Information :</b>	
<b>Compliance Officer</b>	Mr. Manoj Kumar C V
<b>Registered Office</b> (Address for correspondence)	Elphinstone Building, 10 Veer Nariman Road, Mumbai 400 001. Tel. No. 022-6665 8282 Fax : 022-6665 7917 E-mail address : ticl@tata.com
<b>Annual General Meeting</b> (Date, time and venue)	Monday, 21st August, 2017 at 11.00 a.m Rangaswar Auditorium, Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point 400 021.
<b>Financial Year</b>	The Financial Year of the Company ends on 31st March each year.
<b>Book Closure Date</b>	Tuesday 8th August, 2017 to Monday 21st August, 2017.
<b>Dividend Payment</b>	A dividend of ₹ 18/- per share (180%) for the year ended 31st March, 2017 on the existing Ordinary Share Capital of ₹ 55.10 crores would be payable to those Members whose names appear on the Register of Members on 7th August, 2017, after giving effect to the transfers lodged and found to be complete and in order. In respect of shares held in electronic form, dividend would be payable to the beneficial owners of shares as at the end of business hours on 7th August, 2017 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd.
<b>Listing on Stock Exchanges</b>	1. BSE Ltd., P. J. Towers, Dalal Street, Mumbai 400 001. 2. The National Stock Exchange of India Ltd., Bandra-Kurla Complex, Mumbai 400 051.  Listing fees have been paid upto the year ending 31st March, 2018 to each of the Stock Exchanges.
<b>Stock Code</b>	BSE : 501301 NSE : TATA INVEST
<b>ISIN</b>	INE672A01018
<b>Demat of Shares</b>	Available on National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 98.76 % of the Company's shares are in dematerialised mode. Annual Custodial charges have been paid to both Depositories upto 31st March, 2018.

Market Price Data	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2016	504.80	474.95	505.80	472.05
May 2016	563.85	487.00	565.00	485.20
June 2016	540.00	495.20	541.75	490.10
July 2016	536.70	500.90	536.00	500.50
August 2016	599.95	490.80	601.00	491.00
September 2016	689.00	554.40	690.00	558.00
October 2016	647.00	576.00	648.70	572.55
November 2016	600.25	503.00	601.00	502.00
December 2016	616.35	544.00	615.90	542.10
January 2017	600.00	558.90	599.00	557.00
February 2017	620.00	578.00	620.65	575.05
March 2017	667.90	575.00	667.95	586.65



<b>Registrar &amp; Transfer Agents :</b>	
<b>REGISTERED OFFICE :</b>	<b>TSR DARASHAW LIMITED</b> 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Tel. : 022-66568484 Fax : 022-66568494 E-mail : <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a> website : <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a>
<b>BRANCH OFFICES :</b>	
<b>Bengaluru</b>	503, Barton Centre (5th floor), 84, M.G. Road, Bengaluru 560 001. Tel. : 080-25320321 Fax : 080-25580019 E-mail : <a href="mailto:tsrdlbgang@tsrdarashaw.com">tsrdlbgang@tsrdarashaw.com</a>
<b>Jamshedpur</b>	'E' Road, Northern Town, Bistupur, Jamshedpur 831 001. Tel. : 0657-2426616 Fax : 0657-2426937 E-mail : <a href="mailto:tsrdljsr@tsrdarashaw.com">tsrdljsr@tsrdarashaw.com</a>
<b>Kolkata</b>	Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata 700 071. Tel. : 033-22883087 Fax : 033-22883062 E-mail : <a href="mailto:tsrdlcal@tsrdarashaw.com">tsrdlcal@tsrdarashaw.com</a>
<b>New Delhi</b>	2/42, Ansari Road, 1st Floor, Daryaganj, Sant Vihar, New Delhi 110 002. Tel : 011-23271805 Fax : 011-23271802 E-mail : <a href="mailto:tsrdldel@tsrdarashaw.com">tsrdldel@tsrdarashaw.com</a>
<b>Agents</b>	Shah Consultancy Services Ltd. 3, Sumatinath Complex, 2nd Dhal, Pritam Nagar, Ellis Bridge, Ahmedabad – 380 006. Telefax: 079 – 26576038 E-mail: <a href="mailto:shahconsultancy8154@gmail.com">shahconsultancy8154@gmail.com</a>

**Distribution of Shareholding as on 31.3.2017**

	<b>No. of shares</b>	<b>%</b>
Promoter Company and other Tata Companies.....	40227400	73.01
Directors & their Relatives .....	47660	0.09
Public Financial Institutions / Nationalised Banks / Insurance Companies & State Governments.....	1031272	1.87
Non-residents / FIIs .....	1448419	2.63
Other Bodies Corporate & Banks .....	1567120	2.84
Mutual Funds .....	688148	1.25
Others.....	10085277	18.31
	<b>55095296</b>	<b>100.00</b>

**Distribution Schedule as on 31.3.2017**

Sr. No.	No. of shares	Holdings	Amount (₹)	% of total Capital	No. of Holders	% to total Holders
1.	1 to 500	2215756	22157560	4.02	24842	89.55
2.	501 to 1000	951035	9510350	1.73	1235	4.45
3.	1001 to 2000	1123346	11233460	2.04	766	2.76
4.	2001 to 3000	788702	7887020	1.43	315	1.14
5.	3001 to 4000	505573	5055730	0.92	143	0.52
6.	4001 to 5000	494809	4948090	0.90	109	0.39
7.	5001 to 10000	1200179	12001790	2.18	173	0.62
8.	Greater than 10000	47815896	478158960	86.78	157	0.57
	<b>Total</b>	<b>55095296</b>	<b>550952960</b>	<b>100.00</b>	<b>27740</b>	<b>100.00</b>

**DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL :**

In accordance with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended 31st March, 2017.

For Tata Investment Corporation Limited

A. N. DALAL

Executive Director

Mumbai, 24th May, 2017

**INDEPENDENT AUDITOR'S CERTIFICATE  
TO THE MEMBERS OF TATA INVESTMENT CORPORATION LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter reference no. KJM/996 dated 9th August, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of TATA INVESTMENT CORPORATION LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Rukshad N. Daruvala**  
Partner  
(Membership No. 111188)

MUMBAI, 24th May, 2017