TATA INVESTMENT CORPORATION LIMITED

DIVIDEND DISRIBUTION POLICY

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1. SCOPE AND PURPOSE

As per Regulation 43A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, top 500 listed entities (based on market capitalization as calculated as on 31st March of every financial year) are required to frame dividend distribution policy and disclose the same in their annual report and on their websites. Since the Company falls within the aforesaid class, it is required to formulate and disclose its Dividend Distribution Policy in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been reviewed and adopted by the Board of Directors of the Company on 14th March 2017.

2. OBJECTIVE

The objective of this Policy is to provide a framework for distributing the profits of the Company by way of dividends in a way that shareholders can participate equitably in the company's growth, while maintaining the financial foundation of the company and ensure sustainable growth.

3. KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

In line with the objective stated above, the Board of Directors of the Company shall consider the following parameters before declaration of any interim dividend or recommendation of Annual Dividend to shareholders:

- **Financial Parameters / Internal Factors:**

  - Profit after taxes earned during the year;
  - Profit available for distribution;
  - Investment Prospectus;
  - Operating Cash flow requirements of the Company;
  - Earnings per Share;
  - Liquidity position of the Company;
  - Past Dividend Payout Ratio/trends.

- **External Factors:**

  - General Economic environment and Market conditions;
  - Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

4. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

As the company is an Investment company which is engaged in the long term investments, the profits of the company may vary from year to year depending on the capital market conditions due to which its dividend payout can also vary from year to year. The Company having regard to the dividend and interest income earned by the Company and subject to profits & other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a reasonable dividend payout, to the extent possible, taking into

consideration the past dividend payout history. Buy- back of Securities may require revisit of the dividend payout.

5. UTILIZATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the funds available and increase the value of the stakeholders in the long run after having due regard to the parameters laid down in this Policy. The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, in accordance with the provisions of the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time, after having due regard to the parameters laid down in this Policy.

6. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

7. PROCEDURE

The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

8. GENERAL

This Policy has been adopted by the Board of Directors of the Company. Going forward, the Board would review and may amend the Policy, as and when required. The Company in such a case shall disclose the changes along with the rationale for the same in its Annual Report and on its website.

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