TATA INVESTMENT CORPORATION LIMITED

POLICY ON MATERIAL SUBSIDIARIES

Effective from 1st October, 2014.

1. Introduction :

The Board of Directors (the "Board") of Tata Investment Corporation Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective 1st October 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Policy Objective :

To determine the Material Subsidiaries of Tata Investment Corporation Limited and to provide the governance framework for such subsidiaries.

3. Definitions :

"**Audit Committee**" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and The Companies Act, 2013.

"**Board of Director**" means the Board of Directors of Tata Investment Corporation Limited, as constituted from time to time.

"**Company**" means a company incorporated under the Companies Act, 2013 or under any previous company law.

"**Independent Director**" means a director of the Company who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

"**Policy**" means Policy on Material Subsidiary.

Material Non Listed Indian Subsidiary shall mean a unlisted subsidiary, incorporated in India, whose income or net worth (i.e paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Material Subsidiary, shall mean a subsidiary in which the Investment of the Company exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or which have generated twenty per cent of the consolidated income of the Company during the previous financial year.

"**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 material unlisted subsidiary for the immediately preceding accounting year.

"**Subsidiary**" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

4. Policy :

i. One **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian subsidiary company.

ii. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

iii. The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed before the Board of the Company.

iv. The management should periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

5. Disposal of Material Subsidiary :

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

a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
b. ceases the exercise of control over the Subsidiary; or
c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary

except in cases where such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

6. Disclosures :

The Policy for determining material subsidiaries is to be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.